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The Great Sharecropper Success Story

David Whitman

Textbooks and Tribalism in California	***David L. Kirp***
The Lessons of New York City	***Nathan Glazer***
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The great sharecropper success story

DAVID WHITMAN

JUDGING BY THE remarkable public response, Nicholas Lemann's new book, *The Promised Land: The Great Black Migration and How it Changed America*,[1] could prove to be the most important piece of nonfiction on the urban ghetto since Daniel Patrick Moynihan penned his controversial report on the black family in 1965. Lemann's 362-page opus, which traces the consequences of the 1940-1970 migration of five million southern blacks to the urban North, achieved the unlikely status of a bestseller within weeks of publication. The *New York Times Magazine*, *Atlantic Monthly*, *Los Angeles Times*, and *Washington Monthly* all ran lengthy excerpts. Reviewers gushed over the book, despite the fact that accounts of America's race problem usually provoke diverse, if not divisive, reactions. Hip *Esquire* magazine concluded that "thanks to Lemann, white America will never be able to think about the ghetto poor in quite the same way again." Both left-leaning essayist Gary Wills and conservative columnist George Will could barely contain their

[1]Alfred A. Knopf. $24.95. 362 pp.

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enthusiasm, too; the former labelled Lemann's account "indispensable" and "brilliant," while Will confessed that he had "never learned so much about contemporary America from a single book."

To be sure, there is much in Lemann's book to admire. He tells the tale of the huge black migration with lucidity, dispassion, and the kind of extensive original research that has characterized his articles in the *Atlantic Monthly* and elsewhere for more than a decade. His extraordinary case study of Lyndon Johnson's War on Poverty, based heavily on interviews and memoranda in presidential archives, may be the most vivid, revealing account ever written of the formation of the Great Society-era programs. Still, *The Promised Land* does not, as George Will claims, deliver "the definitive account of how the nation arrived at its current dangerous condition." Nor, for that matter, does it provide a truly compelling program for eradicating ghetto poverty.

In fact, Lemann fails to substantiate a central tenet of his book, the very one that most reviewers have seized on as his novel contribution to the debate over the ghetto poor. He contends that the modern-day black urban underclass is composed of ex-sharecroppers and their descendants, still trapped in the backward mores of the southern plantation. But in so arguing, Lemann fails to adequately account for numerous studies done in the 1960s and 1970s that repeatedly showed that blacks who end up poor, on welfare, or in broken families in northern cities, tend to be natives of the region, *not* southern migrants. As a result, Lemann downplays the home-grown roots of northern slums and ultimately diminishes one of the nation's great success stories—the upward climb of black migrants since 1940.

Mississippi, Chicago, and Washington

The first two-thirds of *The Promised Land* showcase Lemann at his best. He starts in the crude sharecropper shacks of the Mississippi Delta in the 1920s, tracing the odyssey of several struggling families to "the promised land" of opportunity in Chicago and then back to Clarksdale, Mississippi. Interspersed with graphic tales of displaced migrants and Chicago's horrific housing projects is the story of how government officials responded to the rural exodus, not just at the local level but at the national level as well. Like a Russian novel, the complex, sprawling narrative sometimes has a surplus of characters and subplots, yet still manages to provide a

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panoramic view of an era. Lemann shows, for instance, how the migration transformed race from a regional southern concern into a national urban problem. In large and small ways, the migration had other consequences, too. Antiwar protesters and feminists started adopting the nonviolent tactics of the civil-rights marchers, while popular music was transformed by the influence of the Mississippi blues.

If not an inveterate contrarian, Lemann has a knack for painting unexpected portraits of presidents and their cabinet members. John F. Kennedy fought to advance civil rights only when prodded by his advisers—and never sought a large-scale assault on poverty. By contrast, Lyndon Johnson was the only president in the century who cared deeply about redressing racial inequalities, although he could also callously brag about appointing a black economist with "fat lips" to the Federal Reserve Board. (Once, Johnson called in Louis Martin, a black aide, to tell him to proceed with the long-delayed nomination of Robert Weaver, the first black man appointed to the Cabinet. "I was sitting in the toilet here," Johnson explained, "and I got to thinking about you.") Just as shocking is Lemann's disclosure that Richard Nixon used to tell White House aide John Ehrlichman that blacks were "genetically inferior." Nonetheless, as Lemann notes, Nixon's first administration was the only one in recent years that truly "threw money at our [social] problems."

Perhaps no one fares worse in Lemann's revisionist roll call than Daniel Patrick Moynihan, who served as an assistant secretary of labor in the Johnson years and as a White House aide during Nixon's first term. In *The Promised Land*, Moynihan comes across as someone who was animated more by the need to protect his intellectual reputation and embarrass his liberal critics than by a genuine desire to help the poor. But as Lemann's account amply illustrates, Moynihan need not have worried too much: one commodity in abundance during the late 1960s was red-faced liberals. The centerpiece of the government's initiative, the community action program, was virtually designed to ensure government-funded fiascos. By relying on local activists to develop the ghetto, rather than on New Deal-style public works programs, government bureaucrats essentially asked the most powerless, disenchanted members of the black community to rescue other poor blacks. In Newark, for example, poet LeRoi Jones (who now calls himself Amira Baraka) used a grant from the Office of Economic

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Opportunity (OEO) to write a play that had Rochester, the black valet on Jack Benny's television show, kill his white oppressors. In Chicago, the OEO even funded a job-training project run by leaders of the city's notorious gangs—several of whom were soon arrested for murder and rape.

While Lemann chastises the liberals of the 1960s for their naivete, most of his cautionary lessons are reserved for the conservatives of the 1990s. He convincingly rejects the notion that "nothing works" to help the poor, arguing that the "war" on poverty was more a poorly executed skirmish than an enduring, large-scale assault. He is equally skeptical of Republican "empowerment" strategies like tenant management and enterprise zones. Such policies, Lemann suggests, bear an eerie resemblance to the self-help approach that Democrats mistakenly believed would resuscitate the ghetto from within in the 1960s.

Wishful critic

In the end, Lemann's critique of past and present policies is more compelling than his own neoliberal prescriptions for reform. He calls, with eloquent rhetoric, for top-down initiatives that directly confront the pathology of the ghetto, including an expansion of Head Start, guaranteed jobs for welfare recipients, renewed screening of tenants in housing projects, and medical clinics that dispense condoms and the pill in inner-city high schools. In the abstract, many of his recommendations seem sensible. But he does not carefully vet these prescriptions in the same fashion, say, that he reviews earlier anti-poverty efforts.

In particular, Lemann seems to accept uncritically the notion that small, model initiatives run by a charismatic boss or exceptionally talented staff can somehow be handily replicated in large national programs—even though virtually all major social experimentation during the last twenty years shows otherwise. A tiny, well-staffed program like the renowned Perry preschool in Ypsilanti, Michigan may indeed lead to somewhat higher graduation and employment rates for its participants, but the program was not, as Lemann states, part of Head Start, nor have a plethora of studies of actual Head Start preschools discovered anything approaching the relatively robust effects found in Ypsilanti.

The unfortunate truth, glossed over by Lemann, is that the "best" national programs have produced dismayingly little improvement in the lives of disadvantaged youth. In the Job Corps,

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another social program endorsed by Lemann, about two-thirds of enrollees drop out before they complete their training, and participants earn only $10 more per week on average than similarly situated teens who do not go through the program. That does not mean the Job Corps is a bad investment; it does, however, suggest that expectations of federal programs should be modest. Most such programs, after several years, will produce hard-to-see "savings" in welfare or correction costs. But they will not, to use Lemann's phrase, help "set the country aflame with a sense of righteous purpose," much less visibly shrink the urban ghetto.

In his own way, Lemann's genealogy of the sharecroppers' diaspora undercuts his big-hearted faith in the capacities of the federal government. He refuses to varnish over the "pathology" of ghetto culture and is too honest a reporter to duck a conclusion that other journalists rarely discuss: government programs, on a case-by-case basis, seem to have surprisingly little impact on the destinies of most impoverished ghetto residents. He concludes, for example, that the family of Ruby Haynes (the heroine of *The Promised Land*) was touched by the war on poverty "like a faint breeze." True, the abandonment of tenant screening in Chicago's high-rise projects isolated the Haynes family from other working-class households. Yet, overall, Ruby's involvement and that of her children in the Great Society programs simply provided "an interlude, not a turning point in either direction."

Put another way, Lemann's account suggests that the most important setbacks for the Haynes family originated not with the government or even with racist whites but rather with the reckless behavior of its own members. Ruby, for example, was evicted from a prized house because her soon-to-be husband bought a new Pontiac, opting to keep the car instead of making house payments. Similarly, while a few of Ruby's children and grandchildren climbed out of the ghetto to attend college or hold a job in the post office, others drifted, largely of their own volition, into gangs, drugs, and chronic unemployment. Insofar as government policies affect the ghetto poor, the most beneficial ones ultimately seem to be those that nudge, for the better, the macroeconomic trends that Lemann (along with most other journalists) largely ignores. It may not sound catchy, but economic growth and tight labor markets still matter—even more, say, than expanding Head Start to include preschoolers from all low-income families.

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History of a theory

If Lemann's prescriptions are a bit wishful, his diagnosis of the origins of the urban underclass seems equally questionable. He contends that the roots of the current urban underclass lie in the quasi-feudal traditions of the sharecropper system. When plantation workers migrated northward, says Lemann, they brought with them a heritage of illegitimacy, crime, and alcoholism. Not unexpectedly, reviewers have seized on the sharecropper-to-underclass thesis as Lemann's novel contribution to the debate on ghetto poverty. Among others, George Will, Jonathan Yardley of the *Washington Post*, and the editorial page of the *New York Times* have all uncritically accepted the migration argument. In the neat historical summary proffered by the editors of the *New York Times*, "cotton-picking poverty soon turned into welfare poverty."

Yet the now-forgotten truth is that during the 1950s and latter half of the 1960s, the sharecropper thesis was a popular if not universal explanation for black urban crime, welfare dependency, poverty, and riots.[2] Presidents promulgated the migration theory, economists and sociologists seconded it, and journalists repeatedly wrote ominous articles about the "hordes" of backward migrants filling northern slums. However, by the early 1970s, the idea essentially vanished once study upon study showed that the urban ills attributed to black migrants were actually *more* prevalent among native urban blacks. For reasons that are not entirely clear, Lemann—a meticulous researcher who sifted through obscure field studies of the sharecroppers from the 1930s for his book—misses almost entirely the extended debate over the migrants that took place in the 1960s.

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[2]Reviews of *The Promised Land* have almost uniformly displayed a remarkable ignorance of earlier debates over rural-urban black migration. For example, one reviewer for *Esquire* wrote: "Of course, the urban ghetto is populated by descendants of rural Southern sharecroppers.... Hadn't anyone noticed before—to cite one startling insight in a book filled with new insights—that the so-called pathology of the urban poor is strikingly similar to the pathology of the old sharecropper system? Apparently not." In fact, the debate over black migrants is succinctly summarized in William Julius Wilson's 1987 book, *The Truly Disadvantaged*, and the National Academy of Sciences' 1989 tome, *A Common Destiny*. As the National Academy volume states: "In the 1960s, many commentators speculated—quite incorrectly, it is now known—that the problems of declining northern cities were caused by the arrival of a poorly educated rural black population..." (pp. 61-62). In recent years, the only journalist besides Lemann to resurrect the sharecropper-underclass link is Leon Dash of the *Washington Post*. See Dash, *When Children Want Children* (William Morrow, New York, 1989).

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Over the decades, the migration theory has proved popular because both the political left and right have intuitively understood its chameleon-like nature. As sociologist Charles Tilly wrote in James Q. Wilson's 1967 edited volume, *The Metropolitan Enigma*, "a thousand theories about the peculiarities of Negro life in the United States rest on beliefs about the wrenching effects of [the black] migration." The migration theory went through much the same political metamorphosis as the culture of poverty concept: In the latter half of the 1950s and early 1960s, liberal academics and politicians embraced the migration connection; in 1969, conservatives then adopted the by-then "regressive" theory.

At the onset of the public debate in the late 1950s, University of Chicago sociologist Phillip Hauser and demographer Irene Taeuber (then at Princeton University) sought to counter fears that blacks would fail to adjust to urban life as had other ethnic immigrants. Both scholars conceded that the rural origins of black migrants made their adjustment especially difficult, yet both also anticipated the migration would ultimately speed integration and assimilation, just as it had for other ethnic predecessors.[3] Still other commentators, such as the liberal sociologist Sidney Willhelm, cited the displacement and migration of black sharecroppers as proof that the left's traditional focus on civil rights was inadequate. Willhelm contended that automation and structural shifts in the economy, not just poor schools and Jim Crow, lay at the heart of the urban slum.

In the popular press, the plantation-to-ghetto-dweller link initially received only a smattering of attention, much of it supportive; *U.S. News and World Report*, for example, ran a five-page story in April 1956 asserting that rural black migrants from the South were swelling Chicago's relief rolls and fueling a crime wave. But senior bureaucrats in the Eisenhower and Kennedy administrations virtually ignored the migration. Not until August 1965 did the official indifference abruptly vanish: Watts had gone up in flames.

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[3]As late as September 1966, Irving Kristol was very much of the same mind. In a lengthy article in the *New York Times Magazine* (entitled "The Negro Today is Like the Immigrant Yesterday") Kristol sounded more the neoliberal than the neoconservative, claiming that "poverty can be abolished within the next decade—if we concentrate on the task." He concluded that "in comparison with previous waves of immigration to the great cities, [Negroes] are 'making out' not badly at all." In *The Promised Land*, Lemann makes almost identical claims, suggesting that "a generation from now, the wild pessimism now prevailing about the underclass will seem dated."

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Grapes of wrath

The popular explanation for the Watts outbreak (one unfortunately endorsed by the official commission set up to investigate the riot) was that unemployed migrants from the rural South had looted the neighborhood and set it on fire. It does not matter that subsequent studies of the riot showed that explanation was nonsense.[4] Members of the public and government officials were both then enamored of what might be called the Grapes-of-Wrath school of migration: black newcomers to the city, like other internal migrants within the U.S., must be largely dispossessed, unhappy wanderers from the South. The 1965 publication of Claude Brown's *Manchild in the Promised Land*, detailing the disillusionments of the rural black migrants in Harlem, only solidified the image of the rebellious, disillusioned urban newcomer.

While the Grapes-of-Wrath analogy persisted among left-leaning academics, liberals also seized on the migration's purported link to urban poverty to push new policy prescriptions. Anthropologist Margaret Mead and economists such as Harvard University's John Kain contended that the Johnson administration should promote a negative income tax because rural southern blacks were migrating to northern cities to obtain more generous welfare benefits. A second policy spinoff landed in the Agriculture Department, where Secretary Orville Freeman promoted a series of bills to encourage rural development to stem the black migration. "The nation," he warned in 1968, "can never really solve the congestion, crime, poverty, unemployment and soaring welfare costs so long as the countryside continues to pour in a flood of ill-trained and poorly educated rural dropouts."

In 1967 and 1968, as the rioting reached a crescendo, the sharecropper-to-ghetto-dweller link reached its zenith, too. The National Rural Electric Cooperative Association took to running full-page ads in the nation's leading newspapers headed by the warning, "To save our cities, we must have rural-urban balance." National newsmagazines and newspapers ran lengthy stories on the black

[4]As early as 1967, James Q. Wilson summarized the studies of early riots in the decade by writing: "Watts was not set aflame by savage country folk who had not learned how to behave in a city or whose exaggerated expectations about the Promised Land were suddenly disappointed; it was set aflame by people who have lived in Watts most of their lives." *The Metropolitan Enigma* (Chamber of Commerce, 1967), p. 333.

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migration as well. Some of the stories, in fact, could virtually have been penned by Lemann: Ben Bagdikian wrote an eleven-page article for the *Saturday Evening Post* tracing the odyssey of several black sharecroppers from the Mississippi Delta to Chicago's slums; psychiatrist Robert Coles wrote a lengthy piece for the *New York Times Magazine* about the sons of an Alabama sharecropper who participated in the Boston riots; *Fortune* ran a nine-page story devoted to the "Southern Roots of Urban Crisis"; and the *New York Daily News* ran a three-part series on the black migration.

Inside the government, top officials also implicated black migrants in the riots, rising crime rates, and deterioration of the black family. In the space of a little more than a year, the President's National Advisory Commission on Rural Poverty, the President's Commission on Technology, Automation and Manpower, and the National Manpower Conference all linked the urban crisis to the explosion of rural migrants. When a Senate committee held hearings on the rural-urban exodus in May 1968, LBJ sent a short message acknowledging that "the migration ... into the troubled urban areas is a tide that must be stemmed."

Soon, however, several events coalesced to shift the ideological coloring of the migration theory. In particular, three events in early 1969 abruptly altered the political environment: Richard Nixon took office, new recipients flooded onto the welfare rolls, and liberal intellectuals mounted a countercampaign against a controversial new book on race and urban poverty called *The Unheavenly City*.

The book's author, Harvard professor Edward Banfield, was the Charles Murray of his day. Conservatives in the Nixon administration, many of whom were reluctant to embark on a major urban-policy program, lauded *The Unheavenly City* and accepted Banfield's arguments that lower-class culture restricted the upward mobility of poor blacks. Meanwhile, liberal students and professors denounced Banfield and picketed his classes, claiming he was little more than a clever apologist for racial inequality and government budget-cutting. Just as the political left renounced the "culture of poverty" concept following the famed Moynihan report on the black family, it now asserted that attributing urban ills to black migrants was a subtle form of racial determinism—another means of "blaming the victim."

Lemann adroitly recounts the public vilification of Banfield, and cites, as well, Nixon and White House advisor Moynihan's

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conviction that blacks were migrating to the North in search of higher welfare benefits. But he fails to note that the migration argument was also a significant underpinning of *The Unheavenly City*. (Banfield claimed that "today the Negro's *main* disadvantage is the same as the Puerto Rican's and Mexican's: namely, that he is the most recent unskilled, and hence relatively low-income, migrant to reach the city from a backward rural area.") *The Unheavenly City*, like Murray's 1984 book *Losing Ground*, provoked a furious round of research aimed at debunking it, including several studies that tested how black migrants fared in the urban North.

Home-grown poverty

By the mid-1970s, the ferment of research on black migrants that began with Watts was essentially over. Lemann concludes that "there is very little in way of hard data on the experiences of the participants in the great migration." But that is simply not the case. Roughly a dozen major studies completed between 1965 and 1975 showed that after a short adjustment period, black men who migrated from the South typically flourished, particularly when compared with their northern-born counterparts. Special tabulations of the censuses of 1960, 1970, and 1980 have all demonstrated that southern-born black male migrants were generally *less* likely (after a few years of living in the North) to drop out of the labor force, live in poverty, reside in a broken family, or rely on welfare than were northern-born blacks.

Moreover, the relative success of migrant blacks held true not only in the North as a whole but in its large central cities as well. Demographers like Larry Long of the U.S. Census Bureau found in the early 1970s that black migrants from the South were less likely to be poor or on welfare after several years than were nonmigrants in Philadelphia, Chicago, New York, Detroit, and Washington. The advantage went beyond economics, too: other studies suggested migrants to the North were generally less likely than nonmigrants to be juvenile delinquents, have recent arrest records, or participate in riots.

Ghetto poverty, in other words, turned out to be more home-grown than imported. And government reports issued at the close of the Nixon years vividly illustrated the 180-degree turnabout in conventional wisdom. In 1967, the President's National Advisory Commission on Rural Poverty stated that the arrival of rural-to-

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central-city migrants created "frustration, despondency and despair"; by 1974, the Manpower Report of the President warned that "it is almost as if growing up in the big cities has in some ways come to be the handicap for blacks that birth in the rural South is often alleged to be."

In a two-paragraph aside in *The Promised Land*, Lemann concedes that black migrants fared better on the whole than northern natives. But he claims that the aggregate picture conceals the failure of the smaller group of migrant sharecroppers. To back up his argument, he cites one study, David Featherman and Robert Hauser's 1978 book, *Opportunity and Change*. Featherman and Hauser reported results from the 1962 and 1973 "OCG" surveys, which included a sample of several thousand blacks, with separate tabulations for those who came from farm-origin or broken families. But Lemann misreads the pertinent tables in the book, which actually show that black migrants did not suffer in the northern job market because of farm background or a broken family. (Informed of the mistake recently, Lemann pledged to correct it in the next printing.)

Still, his book also ignores the only other significant survey of *rural* black migrants to the North, carried out by the Census Bureau in 1967, near the end of the migration. It produced six journal articles, one Urban Institute monograph, and a government report, all of which concluded that rural black migrants to the urban North did surprisingly well. To cite an example of one relevant finding, rural black migrants to the North were less likely to live in poverty than urban native blacks. Even more surprising, there also happens to be an OEO-funded study published in 1969 of over 200 Chicago blacks who had migrated from Yazoo County, Mississippi—an area considered part of the Delta, near where Lemann did his field work. A conference discussion of the OEO report, which Lemann also missed, found black migrants fared well, moving up economically faster than native-Chicago blacks with similar education.[5]

[5]Daniel Price, "Urbanization of Blacks," in Clyde V. Kiser, ed., *Demographic Aspects of the Black Community*, Milbank Memorial Fund Quarterly, Vol. XLVIII, No. 2, April 1970, Pt. 2, p. 62. A 2,200-person survey of black migrants of Atlanta in 1951 that included a large sample of rural migrants also found they earned as much or more than natives. See Robert H. Mugge, "Differentials in Negro Migration to Atlanta" in Ernest W. Burgess and Donald J. Bogue, eds., *Contributions to Urban Sociology* (University of Chicago Press, 1964), pp. 459-470.

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The sharecroppers' strengths

Two obvious questions arise. First, how could Lemann have done such extensive research on the migration and yet glossed over so much of the quantitative data on its participants? And second, given that the sharecroppers did come from a backwards tradition of peonage, what accounts for their relative success in the urban North?

Taking the latter question first, Lemann seems to understate the latent strengths of the sharecroppers. He lucidly summarizes their liabilities, including their pitiful schools, primitive housing, extreme poverty, and exploitive overseers. Yet there is also some truth in the version of sharecropping shown in "Sounder," a 1972 movie that depicted the field hands as family-oriented, hard-working, and intent on providing a better education for the next generation. Unlike their northern counterparts, the sharecroppers tended to have a strong work ethic, little familiarity with welfare, and could easily quadruple their wages simply by moving north. Not surprisingly, those who did migrate were less likely than northern-born blacks to suffer "relative deprivation." If you grow up malnourished, in an overcrowded shack without hot water or a toilet, even Chicago's tenements can feel like a step up.

One illustration of Lemann's exaggerated portrait is his claim that the sharecropper society was "the national center of illegitimate childbearing and the female-headed family."[6] In fact, black women in the rural South were *more* likely to be married than were urban black women living in the South or North from at least 1910 to 1960. (In 1940, on the eve of the migration, 73 percent of black women in the rural South lived in intact families, compared with just 58 percent in the North). The rural-urban gap stemmed partly from the fact that sharecroppers tended to enter common-law marriages—often more than once—while urban blacks were more likely never to marry. But it also reflected the fact that farming was hard work and few plantation owners were inclined to keep single mothers on their payroll for long.

Just as important, Lemann's catalogue of the sharecroppers' woes blurs the considerable distinctions that existed among the impoverished tenants themselves. Despite the huge size of the migra-

[6]Even noted historian C. Vann Woodward uncritically reiterated Lemann's assertions about single-parent sharecropper families in a review in the *New York Times Book Review*.

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tion, it was a highly selective one, not only among blacks in general but among farm-reared blacks as well.[7] Black cotton pickers who migrated—just like other ethnic immigrants—tended to be younger and better-educated, leaving behind children and older residents. The OEO-funded researchers who interviewed blacks in Yazoo County actually had trouble matching them up with black migrants of a similar age and education in Chicago: eventually they ran out of blacks who were high school graduates in Yazoo County because virtually all moved to Chicago immediately upon graduating from high school. Those who did not graduate stayed behind.

After reading *The Promised Land* and recalling popular movies like "Sounder," it is easy to overlook just how little of the 1940-1970 black urban explosion genuinely resulted from the sharecroppers' exodus. The popular myth about black urbanization, one Lemann does little to dispel, was that most blacks in the post-World War II era were still urban neophytes. Yet in 1950 in the East South Central region of the U.S.—the area with the heaviest concentration of sharecroppers—60 percent of nonwhites lived in rural nonfarm or urban areas. Nationwide in 1950, fewer than 20 percent of nonwhites lived on rural farms.

In fact, by the latter half of the decade, most black migrants who moved to northern cities actually moved from other urban areas. In the end, much of the black urban population "explosion" from 1940 to 1970 simply resulted from natural increases, not in-migration. By 1960, more than half of all northern blacks were northern-born; in Chicago, the natural increase of the black population was already greater than the net migration of blacks during the 1950s.

Journalism's selectivity bias

With regard to the second question posed above—how Lemann could have missed so much of the quantitative research on the migration—my suspicion is that because he concluded prematurely that his first-person research was representative, he failed to thoroughly review the 1960-1975 literature. Lemann first became interested in the rural origins of the underclass while researching a story for the *Washington Post* in 1980 on a welfare mother who

[7]See C. Horace Hamilton, "Educational Selectivity of Migration from Farm to Urban and to Other Nonfarm Communities," in Mildred B. Kanter, ed., *Mobility and Mental Health* (Charles C. Thomas, Springfield, Ill., 1963), pp. 166-195.

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migrated from Canton, Mississippi, to Philadelphia. Then, five years ago, after interviewing more residents in Chicago's slums, he wrote two long articles for the *Atlantic Monthly* in which he first declared a link between ex-sharecroppers and the urban underclass. "Every aspect of the [ghetto] underclass," he concluded, "is directly traceable to roots in the South ... of a generation ago."

As the *Atlantic* articles made plain, Lemann's conviction stemmed less from hard data than from what he saw in the slums of Chicago. All the people he interviewed in the notorious Robert Taylor Homes who had migrated from the South lived in sharecropper families right before moving to Chicago; on two other occasions, he sat in on classes at two of Chicago's worst ghetto schools and found that most students had mothers who were from Mississippi, too.

Undoubtedly, many sharecroppers who came to Chicago (especially those in female-headed families) did end up in projects and on welfare. On the other hand, many middle-class black Chicagoans had sharecropper forebears, too. The critical point here is that the Delta and the slums of Chicago represent skewed poles of reference. The former was the national center of the sharecropper system and Jim Crow; the latter was the chief destination for migrants from Mississippi (and the Robert Taylor Homes happen to include the first- and third-poorest census tracts in the nation).

Given those extremes, it is hardly surprising that Lemann found some ex-sharecroppers in the projects. His approach, however, is akin to that of the anthropologist who goes to a border town in Texas and concludes that because many barrio residents are rural immigrants from Mexico, rural Hispanic culture is the central explanation behind the formation of the barrio. Had Lemann, say, found a close sharecropper-underclass tie in Los Angeles, New York, or Miami, the purported link might be a good deal more compelling explanation for the black urban underclass.

Unfortunately, what academics call "selectivity bias" tinges the conclusions of *The Promised Land* in more ways than one. Lemann never explicitly claims that Chicago's slums typify most American ghettos, but he also does little to warn the reader that Chicago—if not quite *sui generis*—is certainly atypical. Among large cities, Chicago happens to be the most racially segregated metropolis in the nation. The South Side, which middle-class blacks have fled in huge numbers, is also the largest contiguous black area in the na-

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tion, packed with many of the nation's worst high-rise public housing projects. It is, in short, the prototypical ghetto of public imagination, filled with crime-ridden tenements and largely bereft of contact with mainstream culture.

Yet, contrary to public perception, the number of ghetto poor is not on the rise in most U.S. cities and it is far from clear that most ghetto residents are more isolated than before from middle-class blacks. The impression that they are results primarily from the increased geographic concentration of poverty in a few large, northern cities, all of which, not coincidentally, happen to have high media visibility. One recent study by Harvard scholars Paul Jargowsky and Mary Jo Bane found that between 1970 and 1980, New York and Chicago alone accounted for half of the so-called "national increase" in the number of ghetto poor. Outside of a few northern cities like Chicago, ghetto poverty—particularly in the South—actually receded during the 1970s, an important phenomenon that Lemann's looking-glass examination of the city obscures.

Culture of poverty redux

To be fair, Lemann does offer some plausible explanations for the underclass besides the heritage of sharecropping. Drawing on the theories of University of Chicago sociologist William Julius Wilson, he notes that many northern inner-city ghettos have lost manufacturing jobs once filled by unskilled blacks. He also cites Wilson's claim that modern-day ghettos are worse off because they lack the stable role models once provided by middle-class blacks. Overall, *The Promised Land* is less mono-causal, say, than Lemann's earlier *Atlantic* articles. Still, given that most of the book is devoted to the travails of sharecroppers in Mississippi and Chicago, it is not surprising that readers and reviewers have widely seized on the plantation-to-ghetto connection as Lemann's special contribution. (In interviews following the book's publication, Lemann steadfastly defended the sharecropper connection as well).

What *is* surprising is that so many liberal journalists have readily accepted Lemann's claims about the peasant roots of the underclass. His neoliberal policy prescriptions seem to have diverted reviewers from recognizing the philosophical likeness between Lemann's sharecropper thesis and the "culture of poverty" argument embraced by modern-day conservatives. In both cases, ghetto

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residents allegedly fail because of a destructive culture—be it imported or locally bred—that gets passed on from generation to generation. In fact, in his original *Atlantic* articles, Lemann stated flatly that "the distinctive [ghetto] culture is now the greatest barrier to progress by the black underclass, rather than either unemployment or welfare ... the negative power of the ghetto culture all but guarantees that any attempt to solve the problems of the underclass *in the ghettos* won't work."

At the time, Lemann's statement prompted rebukes from liberal scholars, including Wilson. In *The Promised Land*, Lemann retains his liberal credentials by essentially reiterating his claims about a self-destructive ghetto culture without ever actually putting the explosive three words "culture of poverty" together in one place to explain the persistence of the slums. Yet his diagnosis of the ghetto seems distinctively conservative. For Lemann, institutional racism figures more as a historical problem for the underclass than as a modern-day cancer. Blacks in the Robert Taylor Homes rarely feel exploited by whites simply because they never encounter any whites in their daily lives. By contrast, individual choices and culture matter more to Lemann, say, than central-city location and timing of arrival, the "structural" impediments that liberals now decry. "Instinctively," he asserts, "I cry out with every fiber of my being against the notion that whatever happened to you before you reach town is immaterial."

Leaving Hades behind

If Lemann's analysis of the ghetto's origins is, as I have argued, ultimately flawed, he is at least in good company. Articulate scholars, including Wilson, David Ellwood, and Charles Murray, have also struggled to reconcile theories about the ghetto with its messy, difficult-to-measure realities. No one, for example, has a satisfactory explanation for the all-important collapse of the lower-class black family. But the danger of Lemann's book—one he never intended—is that readers will conclude from it that the huge northward migration of blacks ruined the inner city.

In interviews since the book's release, Lemann has stated that while the displaced sharecroppers did poorly in the North, most black migrants prospered (and a couple of the plantation laborers that Lemann follows do in fact end up in middle-class jobs and neighborhoods). He is also careful to point out that even the ex-sharecroppers who live in Chicago's gang-infested housing projects

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believe their lives have improved since the days they were unable to read or lived in overcrowded shacks without central heating and running water. He says he focuses so heavily on the urban horrors facing the ex-sharecroppers—the drug abuse, the senseless shootings, the teen pregnancies, the violent marriages—only because he wants to awaken his readers. As he put it in an interview earlier this year, Lemann "want[s] people to read this book just like Teddy Roosevelt read Upton Sinclair's exposé of the meat-packing industry [*The Jungle*] and think: 'we have to do something about this—people shouldn't live this way.'"

His intention to inspire reforms is certainly admirable, but it would be a shame if that awakening came at the expense of emphasizing the fundamentally redemptive nature of the migration. Not all the migrants ended up in the promised land, but most did leave Hades behind. Groucho Marx's quip—"How are you going to keep them down on the farm after they have seen the farm?"—is an apt summary of the oft-forgotten conditions that propelled the black sharecroppers north. The displacement of a huge number of black Americans from a region bound by Jim Crow, hideous schools, overcrowded dwellings, low wages, malnutrition, and brutal poverty was a great boon to blacks. It proved vital in the post-World War II era to narrowing vast national differences in income, schooling, and housing between blacks and whites. Recall that in 1960, housing for blacks in the South *as a whole* was still more likely to be overcrowded and substandard than housing for blacks in the *ghettos* of Chicago, Detroit, and New York.

Amidst modern-day convictions that the inner city is ceaselessly unraveling, it is easy to forget, too, that many "underclass" mores existed in the ghetto long before the black rural-to-urban exodus ended. For instance, the national murder rate among black men was roughly the same in 1950 as in 1985 (and was probably even higher in 1940 than today). Yet by concentrating so heavily on the urban woes of displaced tenant farmers, Lemann diminishes the migrant success story that lies at the core of the black odyssey. True, the up-by-the-bootstraps tale is a familiar one. But it is important, nonetheless, particularly given the despair that now pervades discussions of the urban ghetto. In the end, Lemann ably, sometimes eloquently, provides part of the tale. But he never quite delivers on the promise of his book's subtitle—to tell the story of "The Great Black Migration and How It Changed America."

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Textbooks and tribalism in California

DAVID L. KIRP

IN JULY 1990 television crews from across California camped out in Sacramento for the state's curriculum commission hearings, an event that promised a break from the capital's usual humdrum. Over a hundred people crowded into a small auditorium, most of them to register their unhappiness with the textbooks up for approval, according to the account of Gilbert Sewall, head of the American Textbook Council. Religious issues, which have long been an untouchably touchy topic in public schools, provoked objections from several quarters. Muslims complained that the textbooks' coverage of Islam mentions historical aggressiveness and religious passion aimed at the infidel and treats their religion as the gospel of ignorant nomads. One Jewish representative argued that the social studies textbook "stirs up anti-Jewish feeling" and "teaches history from a Christian perspective." Christian fundamentalists said that the text "could be very damaging to the self-esteem of a fundamentalist Christian child"

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because, they claimed, it implies that fundamentalists are "emotional and hysterical."

Gay activists, making their first foray into textbook lobbying, were angry that nothing is said about the sexual orientation of some of history's leading figures, from Alexander the Great to Willa Cather, who could serve as role models for the young. This demand for respect had the Muslims murmuring "Shame! Shame!" and prompted one Christian fundamentalist to insist that homosexuals are conspiring to "recondition our nation's values."

Many of the harshest critiques of the textbooks came from the ethnic activists. Chinese-American spokesmen complained that the books trivialize the brutality and discrimination they suffered while building the transcontinental railroad; a Mexican-American spokesman said the same books "do an injustice" to his people's history. The angriest and most numerous voices belonged to blacks. The new books contribute to a "mental holocaust" for black youngsters, maintained a dashiki-clad woman. "I know that these textbooks mean a whole lot of money to a lot of European people. But these textbooks are Eurocentric pap, slanted, racist, and wrong, the cause of self-esteem problems for our young."

Textbooks are indeed big business. One company, Houghton Mifflin, was particularly nervous. It had made a $20-million investment in new social studies textbooks tailored to the state's demanding new guidelines. If those books got the nod, Houghton Mifflin would virtually monopolize California's $200-million social studies textbook market.

While some of the critics flagged minor factual mistakes, others pointed up insensitivity as well as inaccuracy. An illustration depicts Cro-Magnon man with features resembling a white European. John Wesley Powell is described as the first man, rather than the first white man, to walk the Grand Canyon. Most troubling, one reference to slavery trivializes the awful institution by referring to it as a "life style." As the speeches droned on, some in the audience interrupted with shouts and jeers, and at one point a Rainbow Coalition banner was unfurled in the faces of the commissioners. Finally, the curriculum commission called on the publisher to make modest changes; by a ten-to-three vote, the commission then approved the Houghton Mifflin series as well as another publisher's eighth-grade social studies text.

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The state board of education took up the issue in September. This time, the crowd was so big that the session had to be moved to a larger auditorium a few blocks away, and the proceedings became so rancorous that a police officer was summoned to restore order. A month later, the state board voted its unanimous support for the texts. But die-hard opponents, many of whom are loosely joined as Communities United Against Racism in Education (CURE), promised to carry on the battle before local school boards across the state.

UCLA historian Gary Nash, a principal author of the new textbooks, heard a parade of speakers denounce the books as "Eurocentric" and saw protesters wave signs warning of "Textbook Genocide." "I spent my whole career trying to get rid of Eurocentric history and catching it from conservatives at the university level who think my work is too left-of-center," muses Nash, an ethnic historian who during the 1970s had headed the Angela Davis Defense Committee on his campus. "So this moment was kind of odd." In this vilification of Gary Nash, the radical reconfigured as reactionary, the revolution had begun devouring its own.

Textbooks and values

The debate over what values—or whose values—public schools should reflect is as old as the common school itself. In the mid-nineteenth century, Catholics and Protestants fought over whose religion, if anyone's, should be taught. When Irish Americans were scorned, their spokesmen pressured the textbook writers into producing apologias for the Irish. Decades ago Harvard historian John Kelleher recalled having to read "turgid little essays on the fact that many of George Washington's closest friends were nuns and priests or the fact that Abraham Lincoln got the major ideas for his Second Inaugural Address from the Hon. Francis P. Mageghegan of Alpaca, New York, a pioneer manufacturer of cast-iron rosary beads ... the there's-always-an-Irishman-at-the-bottom-of-it-doing-the-real-work approach to American history."

For the past decade, right-wing parents' groups have crusaded against "secular humanism"—which is really liberalism—demanding that books like *Catcher in the Rye* be taken off the shelves. (In Texas, at one point, all books by Harvard professors were regarded as suspect.) Meanwhile, equally irate parents, many of them black

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and all self-styled liberals, have argued for getting rid of such classics as *Huckleberry Finn* on the grounds that they are racist.

These goings-on seemed relatively unimportant until national surveys began revealing that American schoolchildren are historically illiterate, whether the history is their own or anyone else's. Among the embarrassing findings: 70 percent of American seventeen-year-olds do not know that Jim Crow laws were intended to enforce racial segregation; two-thirds can't tell, within half a century, when the Civil War took place; one-third believe Columbus landed after 1750; nearly as many cannot identify which countries the United States fought against in World War II or locate Britain on a map of Europe. Although that lack of knowledge may not bear so directly on America's international competitiveness as students' equally wretched performance on math and science exams, its effects are subtler, more corrosive: these students truly do not know who they are.

The prevailing norms of instruction are themselves partly responsible for this historical amnesia. For one thing, relatively little time is devoted to history. Instead, schools feature a "me-and-the-world-around-me" version of social studies that emphasizes the mundanely familiar and turns into treacle what could be interesting issues—the way families function, for instance, or the nature of the market. For another thing, as history is typically presented, the narrative of the past has been turned into a compendium of Gradgrindian facts, things to remember only until the next test. The texts have been deliberately "dumbed down"—written in short sentences with a rigidly prescribed vocabulary—to appeal to the least common intellectual denominator among students. Publishers, mindful of the creationists and anti-secular humanists and all the other long-knife interest groups whose lobbying could potentially keep a book out of the schools, have produced books as inoffensive and as infantile as pabulum.

In 1987, the history panel of California's curriculum commission, whose members include schoolteachers and professional historians, demanded that the textbook publishers come up with an entirely different approach to the subject. There would be less social studies, and much more geography and history, than any other state requires: three years of world history (including a year of ancient history, almost unheard-of in modern public schools), and four years of California and U.S. history, in order to allow

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time for less superficial treatment. Instead of galloping through the whole of American history several times during their school careers, for example, eleventh graders were to focus almost entirely on the twentieth century.

The pedagogical approach would also be different. Narrative, not fact-bites, would drive the telling, drawing heavily on primary source material to bring the story to life. Instead of assiduously avoiding controversies, the new approach would place problematic topics—especially religion and race—at center stage. From listening to the Sacramento hearings, one would never know that only at the insistence of the California curriculum designers did publishers pay any attention to religion, a topic that had been taboo precisely because of the fear of contentiousness. Previously, minority cultures had been written about as sideshows to the main event of American history; now the guidelines mandated that they be woven into the larger narrative, linked to a sense of our inclusive identity as Americans.

There was a catch, though: the new framework would change life in classrooms only if publishers were willing to deliver the books the experts were asking for. Throughout the lengthy process of devising a new curriculum, the real concern among state officials was not animosity from the left: it was, after all, its nontraditional voices, largely neglected until now, that were being incorporated. Instead, concern centered on how the textbook companies, with their strong economic interest in the status quo, might gut the process.

California has considerable clout in the publishing world, since it purchases 11 percent of all the textbooks sold nationally. Under Superintendent of Public Instruction Bill Honig, the state has been the nationally recognized leader in pushing for textbooks that infuse classes with new rigor and liveliness. But revising textbooks is a very costly business; text publishers generally believed that California was pushing too much reform, too fast. They had already quarrelled with the state commission over similarly radical revisions in science, math, and humanities books. Now they were being told to prepare entirely new history materials, a multimillion-dollar proposition, with no guarantee of a market outside California. Would other states be interested in ancient history or in an eleventh-grade U.S. history course devoted to the modern age?

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Initially, the American Association of Publishers tried to eliminate statewide adoption of textbooks entirely, nearly persuading state legislators to pass a bill that would have allowed local school districts to spend the state-provided textbook dollars on whichever books they preferred. That idea was successfully fought by Honig, who argued that state standards were needed to avoid anarchy in the curriculum. But when the legislation was defeated, most of the companies stonewalled. Among the major publishers, only Houghton Mifflin tried to follow the state's 1987 guidelines. Ironically, it was over this new series—the first texts to take multiculturalism seriously—that battle-lines formed.

Improving the old history

Anyone a generation or two out of school who wandered into those Sacramento hearings would emerge believing that little had changed—that history and social studies were still being taught mostly as the saga of heroic deeds of white Anglo-Saxons; that world history still began with Plato and ended with NATO; that in American history racial and ethnic minorities, when written about at all, were portrayed in simplistic and sometimes patronizing fashion; and that women's place in the texts was, as ever, confined to sewing flags and bandaging fallen soldiers.

That impression of a sanitized rendering of the past has been reinforced by many media accounts of the battle over the books, which prefer quotable accusations of textbook genocide to the more tedious business of actually reading the new generation of texts. But these books are in fact unrecognizably different. They look different, with a striking array of useful visual aids—maps and charts and illustrations—that breathe life into abstractions. More important, the intellectual emphasis is different, consistent with the California guidelines.

In world history, more attention gets paid to the civilizations that formed in Africa, the Near East, China, India, and Latin America, *terra incognita* in the old texts, than to European civilization. In telling the American story—over which political infighting has been fiercest—multiculturalism occupies pride of place, with its acknowledgement of this country not as a melting pot that undid differences but as a gorgeous mosaic. The familiar treatment of Pilgrims coming to this nation and spreading Anglo-American history across the continent has largely been abandoned in favor of a

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view of America as a nation of immigrants. Not just European immigrants either: the stories of individuals—Indian weavers and runaway slaves and black scientists, men and women whose lives were lived far from the mainstream—are fully integrated into the larger telling. And while the framework acknowledges the values we have in common, full-dress treatment is also given to the enduring tension between the principle of equality and the often terrible treatment of minorities. These books embrace what Rutgers University historian Catharine Stimpson calls "cultural democracy," acknowledging that to understand our past we need to hear a "diversity of voices."

"One explorer, Christopher Columbus, thought he could reach the Indies faster by sailing west.... Finally Columbus saw land and thought he had reached the Indies. He had found the New World." That is the American history of a generation ago, but the new texts tell it entirely differently. In the fifth-grade textbook, Columbus doesn't even make an appearance until the fifth chapter—and there it is made plain that, in sending Columbus on his voyage, Spain was not only anticipating new riches but also maneuvering to gain new power among the nations of Europe. By this point in the course, the fifth graders have already been introduced to another corner of America—early New Orleans, where Frenchmen and Spaniards, Africans and Indians, all came together. They have seen how American history really starts, with the first migration of people across the Bering Strait from Siberia to Alaska. They've been shown how the Indians bore the brunt of the white man's belief that "the land was theirs for the taking." They have become amateur historians, learning about how history is pieced together from a variety of sources. And they have been introduced to the idea of prejudice. "Pluralism is good for a nation. However it also presents challenges," says the text early on, announcing its theme. "The special story of the American nation is how the people built a united country in spite of their great diversity."

This is not the old DWEM—dead white European male—history, nor is it the canon of enduring and mostly Western works whose relevance continues to promote uncivil arguments on campuses across the country. The fact that revisionist historians like Gary Nash and mainstream educators like Bill Honig are now being tarred as reactionaries has less to do with how the particulars of the past are treated than with the new politics of ethnic trib-

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alism. It shows a basic shift in the ground-rules of debate over the nature of the past: over whose property, if anyone's, history is; over whether a common history can still be constructed.

Multiculturalism

Both the supporters of California's new texts and many of the critics rally around the flag of multiculturalism, an idea that has been used by different groups to mean very different things. When spokesmen for Mexican Americans, Chinese Americans or Karuk Indians ask that these texts say more about "us," they want a more inclusive history of the republic. On practical grounds, their demands may be impossible to satisfy without writing an encyclopedia, yet the tell-our-story crowd conveys a familiar American longing to be part of the evolving common culture. It is expressing the sentimental hope that comprehension leads to empathy—that when "they" understand, "our" problems will cease. The language is all about power and rights. But the plea is really about the deepest needs of strangers; it is a prayer for the public equivalent of love.

The deeper challenge to the social studies texts comes from those who argue that simply including more people in America's story settles nothing because there is no single story to be told. Celebrating the history of "one nation, many peoples," they insist, is another Eurocentric trick, cultural imperialism in a new guise. In place of a common history shaped by a coherent point of view, these critics would carve up history and social studies into fiefdoms, each ruled by the interested party, with no common standard of historical authenticity.

Take, by way of example, the seemingly uncontroversial description of the migration of Indians across the Bering Strait to Alaska. Although this account is almost universally accepted by anthropologists, Beverly Slapin of Communities United Against Racism in Education argues that it is racist. "Native people say they were created here, that they sprang from Earth, not from Europe or Asia," she says. "Why not give those theories equal time [with the anthropologists' accounts]? To present theory as truth and disregard people's religious beliefs is racist." It goes unnoticed that Christian fundamentalists, another creationist party of a very different ideological cast, offer precisely the same criticism about how evolution is taught.

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"The whole concept of the United States as a nation of immigrants fits Europeans well. But it barely fits Native Americans and it doesn't fit blacks at all," says Joyce King, a black professor of teacher education at Santa Clara University, who dissented when the state's curriculum commission approved the Houghton Mifflin series. King, like Slapin, points out problematic passages such as the now-discarded reference to slavery as a life style, but her critique runs much deeper. "It's not possible to produce a single perspective on history," she argues, "that's simply an updated melting-pot myth about common culture." Although the new textbooks do include first-person accounts by people of color, what is wanted instead is black history told entirely from a black perspective, Native American history told entirely from a Native American perspective, women's history told from a women's perspective, and so on, with racial, religious, and ethnic groups determining what is written about them. If this position prevails, the idea of a common history—a history larger than the sum of its parts—simply collapses. The fragmentation of intellectual life in contemporary universities, with their Black Studies, Chicano Studies, and Women's Studies departments, is to be visited on the young.

"The idea [of the California social studies framework] was to see everyone in a single great narrative, but the narrative itself is faulty. What we have here is a difference in perspective, and you can't get any more fundamental than that," says King. "I'm less concerned about the common culture than about the survival of African-American children and African-American culture." Others use more personal language to speak about survival. Jeffrey Fletcher, a lawyer who works with an Oakland group called Black United Front for Education Reform, recalls growing up in the ghetto during the 1960s, attempting or committing almost every penal-code violation in the book. He had never heard about segregation, Fletcher insists, never even knew about slavery; then he took a Black Studies course and it was his redemption.

"When I learned that and saw there was continued repression, it angered me and caused me to turn my life around." Out of that personal narrative of a reconstructed life, a larger message emerges. "The bottom line is what we need in order to advance, that's the only thing we need to talk about. The only issue for us is how we can get out of this plight. It's like if you have someone around your throat choking you. It's nice to know about the base-

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ball scores and other cultures, but the only thing you need to know is how to get those fingers off your neck." What is being argued for here is not an introduction to diverse cultures that leads to mutual respect, *e pluribus unum*. Instead, the aspiration is cultural nationalism, what Columbia University historian Diane Ravitch, a member of the group that wrote California's history guidelines, calls *e pluribus plures*.

Elsewhere, other ethnic groups have similarly defined themselves as victims and have made comparable claims on the schools. A New York task force, appointed by that state's education commissioner, claims that "African Americans, Asian Americans, Puerto Ricans/Latinos, and Native Americans" are all oppressed. Ravitch notes that proposals have surfaced to teach Mayan mathematics to Mexican-American children, and to abandon the Eurocentric Linnaean system of classification in favor of ethnobotanical classifications. But in the public debate over the California textbooks, it is blacks who have pushed hardest to replace what is called Eurocentrism with Afrocentrism, history written by blacks and for blacks. This use of history as a form of therapy is regarded as the last, best hope of an entire generation, an entire race.

The new nationalism

In the debate over history, some of the arguments sound bizarre and some are bizarre. But the impulse to embrace Afrocentrism needs to be understood as a desperate response to the awful things that are happening daily to young black men. Many black students, particularly black male students, are failing in America's schools. Compared to any other group, their grades are generally lower, and so are their reading and math scores. Proportionately more of them will misbehave and be suspended from school. Proportionately more will eventually drop out or be pushed out of school. This is just the start of their troubles. Young black males are more likely than their counterparts in other ethnic groups to be out of work, to be using drugs, to be afflicted with AIDS, to be in trouble with the law. Before reaching age thirty, nearly one-third of all black men in California will have been arrested at least once, nearly one in six more than once. In the South Side of Chicago and Watts, in Roxbury and Anacostia and Harlem, the odds that

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these young men will be killed are greater than the risk of dying a soldier faced during a tour of duty in Vietnam.

Among blacks, such facts contribute to a feeling of powerlessness and past failures, of malign white indifference, and a conviction that time is running out. In Milwaukee, black school board members are designing a high school exclusively for black male teenagers, 80 percent of whom now maintain less than a C average; this idea is also being advanced in New York City and elsewhere. What else is to be done, they ask, when critics chide them for retreating to segregation. The same anguish is behind the cry for nationalistic, Afrocentric history to replace the common-ground approach to the past.

Proponents of the new nationalism sometimes argue that they are delivering truth, not theory. Or else they argue, very differently, that black youths have been so brutalized by racism and poverty that they must receive unequivocally positive cultural reinforcement, even if pride stretches the truth. But it is always unwise to tinker with the truth; history is history, not therapy.

The national model for advocates of Afrocentrism is the widely circulated *African-American Baseline Essays*, first published in 1988 for the Portland, Oregon schools. The sentiment of these essays is impeccable: "To foster understanding, acceptance, and constructive relations among people of different cultural and ethnic backgrounds." But in these essays, designed as an "instrument for our [African-American] liberation," the perceived Eurocentric tilt is replaced with an opposite imbalance. Blacks in Africa and America are depicted as heroes or else brutally oppressed victims. Whites are oppressors. The discussion of American history treats slavery as a collusion of European economics and religion based on the "consistent application of mental and physical torture.... The Christian church came up with a design to bring about the complete subversion of the Africans to the desired slave code of conduct." But many things are left out of this account of slavery, among them the crucial fact that, in America, abolitionism began in white Protestant sects deeply repulsed by slavery, and was also a tenet of Enlightenment Europe. A few pages later in the same history essay, the schools for blacks founded by the Freedman's Bureau after the Civil War—schools that Langston Hughes described thirty years ago as the first widespread public education system in the South—are damned for offering instruction

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"offensive to African people." The baseline essay on science abandons Western approaches in favor of something that sounds less specifically racial than like New Age psychobabble: "From the world view of Africans, there are many realities beyond the five primary senses. Learning is a holistic process, through symbolic imagery and rhythm...."

In classrooms across the country, these sentiments are being translated into instruction. Young black males in a Sacramento high school learn the "African Mind Model Technique" to rid themselves of the racism of American culture. In an Oakland high school, Wade Nobles runs a "Manhood Development and Training Program" for black males. "When we adopt other people's theories," Nobles told those gathered in Atlanta last fall for the Second National Conference on the Infusion of African and African-American Content in the High School Curriculum, "we are like Frankenstein doing other people's wills.... The Greeks gave back the vomit of the African way.... Don't become the vomit drinkers! We are the creative cause.... Black folks *be*. We *be*. We be doin' it." What is being delivered is less an argument than an incantation. If only these words are repeated often enough and loudly enough, Nobles seems to be saying, they will somehow come true.

Afrocentrism or shared history?

A half-century ago, in *The Miseducation of the Negro*, black educator Carter Woodson showed how, in the texts of the day, "Negroes are taught to admire the Hebrew, the Greek, the Latin and the Teuton and to despise the African." Now the intention seems almost exactly reversed: to raise the self-esteem of minorities, implicitly by inviting them to despise whites. As the New York task force says, in only slightly softer language, history is to be used to develop "higher self-esteem and self-respect" among nonwhites, "while children from European cultures will have a less arrogant perspective...." The ambition is liberation. But black youngsters who come of age in schools where the Portland *Essays*, with their blanket condemnation of whites, define the content of instruction or where those who preside are teachers like Wade Nobles, with their talk of "vomit-drinkers," receive an imprisoning education. Instead of real history, with all its necessary contin-

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gencies and ambiguities, those students will have heard only the good news about themselves and the bad news about others.

Such lessons deliver to blacks, many of whose ancestors left Africa centuries ago, a history to which they have only the most distant links. The materials that Afrocentrists have written can be awfully tendentious, doing more to stir up guilt or anger in students' heads than to get at what actually happened. The historical accounts often mistakenly treat Africa as a single culture and gloss over such inconvenient truths as the role that Africans themselves played as slave-traders. Some of what is taught by Afrocentrists is made-up Africana, like Kwanzaa, an "African-based" holiday actually invented by black nationalists two decades ago as a substitute for Christmas. Much of it represents an attempt to invent, not rediscover, a culture; very little has any relationship to contemporary Africa. In *their* leading schools, Kenya and Ghana and Zimbabwe deliver instruction that is very "Western." It focuses not on ethnic self-aggrandizement but instead on discipline and rigorous European-derived pedagogy, not on pan-Africanism but on mathematics and physics, national languages and literatures.

As Diane Ravitch argues, Afrocentrism and other ethnocentric approaches involve the mischievous business of "teaching children that their identity is determined by their 'cultural genes,'" thereby ignoring our shared history. But this truth should be self-evident: While the ethnic makeup of America continues to become more fully multicultural (over half of California schoolchildren are not of European origin), we all still inherit an American experience—even as America inherited its commitment to political democracy, to individual freedom and the idea of rights, from Europe.

This tradition is neither the stuff of dusty library shelves nor the subject of reverence. It continues to evolve, and what happens in the public schools necessarily reshapes that tradition. To treat the past as nothing more than a bundle of ethnic fragments, wrote Frances Fitzgerald in *America Revised*, her 1979 critique of American history texts, leaves the impression that "Americans have no common history, no common culture, and no common values, and that membership in a racial cultural group constitutes the most fundamental experience of each individual. The message would be that the center cannot, and should not hold." Why contribute to public education at all, if each group simply wants to educate its young in its own way?

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Self-esteem

Now as in the past, the public schools have helped newly arriving minorities move out of the confining structures of their lives. Youngsters barely a generation removed from Vietnam win spelling bees; in East Los Angeles, Hispanic high school students with little math background have become Advanced Placement calculus students under the demanding tutelage of Jaime Escalante. To tell African-American schoolchildren that Western democratic traditions and Western intellectual standards simply aren't theirs—that, unlike other minorities, they must look elsewhere for their models—is truly patronizing. Providing excuses that defer responsibility is a way to excuse failure rather than to address it.

Nonetheless, the belief remains strong among Afrocentrists that such instruction will repair the psyches of black teenagers, boost their self-esteem, and so inspire them to achieve. While the idea is intuitively obvious, it conceals massive complexities. For one thing, what it would mean in practice is highly problematic. A curriculum that said only nice things about a group's history would nurture a thin, false, and easily punctured pride. It would, as well, denude history of much of its content, for history has to deliver its inconvenient truths—it is neither myth nor psychic compensation for past sins.

Nor is it necessarily true, as proponents of a history designed to promote self-esteem also argue, that students insecure about who they are will be more likely to engage in anti-social behavior. The scholars who coauthored *The Social Importance of Self-Esteem*, the most thorough analysis of the evidence on the subject, could find no relationship between low self-esteem and any problematic behavior, whether it be teen pregnancy, drug use, or child abuse. While these researchers plainly wished it otherwise—the study was sponsored by state legislator John Vasconcellos, California's most ardent promoter of self-esteem as a "social vaccine"—their conclusion isn't so surprising. A lack of self-esteem on the part of black youth is more a symptom of larger social problems than a cause; there is no psychological elixir for the very real maladies of society that schools or other agencies of government can administer. Moreover, as Johns Hopkins University philosopher Robert Fullenwider points out, singlemindedly encouraging adolescents' egotism and self-infatuation, while ignoring the troubling realities

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of their lives, can only set them up for a fall. More than two decades ago, social psychologist Thomas Pettigrew reported that blacks attending newly integrated schools in the South scored lower on tests of what was then called fate-control than blacks in segregated schools. When they left school, however, these students were better prepared to cope in a racially mixed world than their less-challenged peers.

Across the country in locales where most children are black and Hispanic, the curricular conventional wisdom these days is increasingly separatist. A quarter of a century ago, writes *New York Times* correspondent Richard Bernstein, "the civil rights movement began to erase differences imposed by race and ethnic origin. Now the cult of otherness asserts that the differences are unbridgeable." But the experience of the East Harlem public schools should teach a very different lesson. There, black and Hispanic adolescents, many of them from homes invaded by AIDS, crime, and crack, where at most a single parent or grandparent presides, have made dramatic gains in reading test scores over the past fifteen years. More than a quarter of them now go on to elite city-wide and private high schools, far above the city-wide average. Thousands of white families over the years have sent their children from the wealthiest enclaves of Manhattan to get a decent education in East Harlem's schools, and that has created schools whose students cross the lines of race, ethnicity, and class.

While East Harlem's track record is hardly perfect—too many youngsters still slip through the cracks—it suggests one approach that can boost success for ghetto adolescents. Give students some choice among schools. Make schools smaller (the East Harlem junior highs, typically carved out of a larger school, enroll no more than 350 pupils), so that adults can come to know teenagers as more than names on the class register. Allow teachers and school directors considerable autonomy in setting the mission for their schools. Spend money to deliver a decent education, providing small classes and computers, field trips and teacher's aides. In other words, deliver to the children of the poor many of the tangible things that contribute to the success of elite schools.

In their assault on the textbooks, the Afrocentrists sometimes appear to be saying that the lives of black schoolchildren can be transformed if only they have different books in their hands. To school administrators, at times more penny-conscious than princi-

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pled, the real lure of this ethnic particularism may be that to make everything depend on racial pride promises to accomplish easily and cheaply what places like East Harlem have done only with much time and money. While the awfulness of the situation cautions against dismissing any well-intentioned strategy out of hand, ethnocentrism diverts attention from the real needs of schools and the real concerns of children. The saddest thing to contemplate is that when Afrocentrism and all the other ethnic "isms" are pronounced failures, a generation of minority youngsters will be the real victims.

The future of common culture

The mid-November 1990 school board meeting in the council chambers of Berkeley's old city hall was a moment lifted out of the pages of 1960s Berkeley activism. Earlier, board member Martha Acevedo had introduced a resolution to reject the Houghton Mifflin social studies series. About 150 people, many of them on her side, jammed the room, behaving as if at a revival. In the hallway, anti-textbook organizers used a bullhorn to stir up the crowd. "We won't let our kids carry around loaded guns," Beverly Slapin from CURE told board members, "and we won't let them have these textbooks. They're both too dangerous." The board, which had intended to approve the books, instead postponed its decision to give a new superintendent time to review them. Across the state, several predominantly black districts, including Ravenswood in East Palo Alto and Inglewood in Los Angeles, had already voted to spend their own money to buy books of their choosing, rather than accepting state dollars for texts that board members believed would "colonize" black students. Elsewhere in California, this argument continues.

California school chief Bill Honig, relieved that the new social studies curriculum is finally in place, is convinced that the state will lead the way. "We showed that in a pluralistic state with some heavy political attacks, we could adopt a strong book." There is some reason for that confidence. Already, Arkansas and Virginia have adopted the Houghton Mifflin series, and Oregon has given the books its highest ranking. But educators elsewhere, tired of fighting and troubled in soul, may look for another way out. Just as real multiculturalism, a veritable United Nations of languages and cultures in the public schools, is fully upon us, these educators may

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abandon the hope that public schools can help forge an American commonwealth. Instead, they may conclude that a shared vision can only mean oppression—that racial and ethnic divisions represent the only tellable truth. However things turn out, we will get the public schools we deserve.

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The lessons of New York City

NATHAN GLAZER

TO CONSIDER THE future of our cities here in the building of the New York Academy of Medicine,[†] at 103rd Street and Fifth Avenue, presents an opportunity for some telling contrasts between the city in which this grand building went up and the city of today. These contrasts suggest themselves in particular to me because I was born only a few blocks from here, on 103rd Street between Second and Third Avenues, just about the time the New York Academy of Medicine was being built. The area to the east was poor then, and it is poor now. Then it was a dense area of five-story tenements, now it is an area in which public housing is mixed in with, and indeed dominates, privately built tenement housing. Mount Sinai Hospital was there then, serving the neighborhood, and it is there still. In those days children were born at home, at any rate in the tenement areas. My mother would recall that when the appropriate time for

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delivery came, one would call for an intern from Mount Sinai (not by telephone—home telephones were not common in tenement areas then—but by sending an older child running), and the intern would come to assist at the birth. Perhaps she had the details wrong, but if she is right, it is interesting to note that in those relatively benighted days one could get a doctor to come to a walk-up tenement to assist at a birth, and that this was considered a norm. One wonders whether this balanced out the fact that medical services in general were far less sophisticated and advanced.

On the block where I was born is P.S. 121, my first school. It was there that Eugene Lang, some years ago, addressing a class, promised that if the students made it through high school, he would pay their college expenses. And so was launched the "I Have A Dream" Foundation, which encourages men of wealth and substance to adopt classes, and scores have done so in many cities. It is one of the more encouraging developments going on in the New York City of today. We now have almost ten years of experience with this kind of commitment and have discovered that in New York today the promise of a paid college education is not enough to get children through high school, that support all along the way is necessary, and even that may not be enough. But undoubtedly the existence of this foundation is a change for the better.

In the 1920s and 1930s, reformers dreamed of reshaping the city: in large measure, they succeeded. The tenement in which I was born and most of those surrounding it have disappeared, replaced by public housing projects, though P.S. 121 has survived among them. The Els that ran on Second and Third Avenues when I was growing up are also down. These were once seen, properly, as a blight, darkening houses and streets, bringing endless noise to the people who lived in the tenements lining the avenues. Reading Thomas Kessner's recent biography, *Fiorello H. LaGuardia and the Making of Modern New York*, one is reminded of how passionately that great reforming mayor and other reformers of the 1920s and 1930s fought for public housing. LaGuardia, in his hopes for a better city, also included the replacement of the Els and the creation of open spaces and parks, and all this was done. But one is also reminded of how naive early reformers were in their expectations of what would follow as a result of the improving of the physical environment. No one could have imagined forty or fifty years ago that housing projects for the low-income population, built solidly to a high standard, sited to take account of air and light, with full

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bathrooms, kitchens, and central heating, with enlightened public managers in place of money-grubbing landlords, would now be considered breeding places of crime and drug use, or that the children raised in them would now be expected to do worse in school than others.

Among the things that have changed, one notes sadly, and considering where this building was placed, is that we now find very few parts of our great city suitable for institutions such as this one. I doubt the New York Academy of Medicine, were it building today, would select this location. New institutions in New York City were once placed at the growing edges of the city, confident in the quality of the neighborhoods that would spring up about them. Thus they steadily moved north on Manhattan Island and into the Bronx. At 103rd Street on the East Side, this upward march stopped, and some institutions now find themselves in the wrong place, beyond a zone considered attractive for visitors and users. One thinks of the confidence with which a complex of museums was built on 155th Street and Broadway. They are now under siege. The Museum of the American Indian finds it was located, in a too-optimistic era that believed in endless progress, too far uptown, and sought desperately in recent years for a site a few miles south, within the zone of relative safety and of middle-class and upper-middle-class occupancy. One ponders the optimism of those past years, in which a handsome campus for New York University could be placed on University Heights in the Bronx, or Yeshiva University thought a site around 187th Street in Manhattan would be a good place for a university. It is as if the city has shrunk, drawn in on itself, and left, as the only place for safe development, the center.

Slums of hope and slums of despair

So the city strikes one as a very different place from the one in which I grew up, and in which the New York Academy of Medicine building was erected. Of course we deal with a very long period when we contrast the 1920s and the 1990s and we would expect much to change. After all, this period encompasses the Depression of the 1930s, the war of the 1940s, the postwar prosperity of the 1950s and 1960s, the economic collapse of the city in the 1970s, the recovery of the 1980s, and the gathering slowdown of the past few years. Nevertheless, to begin with a contrast between the 1920s and the 1990s is more than a rhetorical device

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occasioned by the accident of the time and place of my birth. I would argue we can learn something from such a contrast. Much current observation and interpretation of the problems of the city may strike us, if we consider it in the light of this history, as too simple-minded.

For example, one hears very often, and from some of the best analysts of the city, that there was opportunity for the poor in the past—in the 1920s, or the 1940s and the 1950s (they would scarcely say the 1930s)—but there is much less now. One hears that the hardships the poor faced in the past could be faced with optimism and hope, and those that the poor face now arouse despair and resignation, and at the worst terribly self-destructive behavior. So one hears often the contrast made between "slums of hope" and "slums of despair."

But a clearer look at the past and the present will suggest these convenient generalizations are at best rather partial interpretations of the causes of the problems the city faces today. Admittedly there is danger in making such contrasts of past and present, particularly if colored by autobiography, but one can control for both the nostalgia of the past and for the different temperamental outlooks of youth and age. One also has the benefit, in making the contrast and trying to control for distortion, of many excellent studies of the city during the sixty years or so since this building went up. Even so forewarned, one may still be in error, but let me try to draw up very roughly a balance sheet of the city then and now, in order to consider where we stand, and where we may be headed.

We can think of things that are the same, or similar, and things that are different. Consider first the similarities. By 1930, New York City had almost completed its population growth. It had almost seven million people. In subsequent decades that figure was to rise, but it never reached eight million, and after a substantial loss of population in the 1970s, New York is again a city of more than seven million. Seven million has become the identifying number that has characterized the size of New York City since the 1930s. In the days of Mayor LaGuardia, Station WNYC, New York's public radio station, would sign off and on, and mark the passing hours, by intoning, "Station WNYC, in the City of New York, where more than seven million people live in harmony and enjoy the blessings of democracy."

One may immediately challenge the significance of this stability in population size: New York City is located in a metropolitan

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area that has grown enormously, and this is seen, rightly, as one major difference between that New York of the past and today's city. The more prosperous move off to the suburbs, beyond the political limit where they may be taxed by the city, and jobs and services follow them. But the city is scarcely bereft of jobs and opportunity: after a terrible loss of jobs in the 1970s, which paralleled the loss of population, New York recovered quite smartly in the 1980s. And of course the jobs in the metropolitan area are also available to city dwellers.

New York was an immigrant city then, and has become again an immigrant city (immigrants were never few, even during the period of relatively low immigration between 1930 and 1950). New York was 34 percent foreign-born in 1930, and immigrants were 24 percent of the population in 1980 (immigrants, of course, do not include persons from Puerto Rico). After the steady and heavy immigration of the 1980s, the 1930 figure of 34 percent immigrant may be reached in the current census.

The immigrants spoke foreign languages then—as many do today—and poured into the public schools to be educated. There were a million children in the schools then, there are a million children in the schools now. They were educated then by a teaching force drawn from groups that had come as immigrants to the city earlier. It was the children of German and Irish immigrants who, as teachers, taught the children of Jewish and Italian immigrants; and it is the latter who, as teachers, have been teaching the children of Caribbean, Latin American, and Asian immigrants.

Manufacturing, race, and poverty

But now to the changes. I will concentrate on three, because these three taken together are generally considered the cause of New York's current difficulties. New York City was then a great manufacturing city and port, a city that produced things, and that moved things. It was a city of garment manufacturing, food manufacturing, printing, of shipping and trucking, a working-class city. It has lost much of its manufacturing, to places where these processes could be carried out more cheaply, on cheaper and less crowded land, in more efficiently arranged buildings, with cheaper labor. Its port functions and everything associated with them have been greatly reduced. Old factories are turned into apartments, old port areas become office buildings and parks.

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Second, New York City was then a city of Europeans, and it is now, in its majority, a city of African Americans and Latin Americans, with a rising proportion of Asians. The "white" population, as it is often inaccurately referred to—what is meant is the European-origin population, or the whites minus the large population of Latin American and Hispanic origin—became a minority in the 1980s. It is becoming with time a smaller minority.

The third change is that New York is by some key measures a poorer city. It has become poorer along with becoming more black and more Latin American. And the problems that are concentrated in these segments of the population of New York, the problems that are often graphically summarized by the use of the term "the underclass," are seen in large part as a consequence of the first change, in the city's economic and occupational base. It is the misfortune of this population to have arrived while economic opportunity declined. Thus New York, from a city with poor people, but people who saw hope, has become a city of poor people, many of whom don't see hope, who despair and become an underclass.

It all fits together. And in response to these three changes we might add a fourth change that makes a difference from the city of the European immigrant past: there has been an enormous expansion of public social services. The city of the past was one in which the work of the city government was on the whole traditional: policing, picking up the garbage, putting out the fires, constructing and maintaining roads and bridges, regulating building. Social services were a modest part of the budget, though New York City, with its public hospitals and public universities, did much more in this respect than other cities. Today, social and educational services have expanded greatly. There was a necessary expansion in the Depression, in large measure with federal funds, and another spurt into new kinds of social services in the 1960s, when we had the great expansion of the federal role in welfare, health care, education, and other social services. These were cut back after the financial crisis of the 1970s, but there has been some expansion again in the 1980s. One measure of this expanded scale of social services is that we find that the schools, educating the same number of children, now have three times as many employees as in the 1930s. The size of public human services and health agencies today would dwarf anything that existed in the age of the European immigrant city.

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Despite this expansion, it is generally argued that our social and educational and health services are grossly insufficient to deal with our changed population and its reduced opportunities. And the evidence is all around us, in school dropouts, youth unemployment, unmarried motherhood, abandoned or abused children, increased crime, crowded jails and emergency wards, expanded drug use. It would seem clear that to deal with a city that now has a less competent population facing employment opportunities that demand more education and skills, we must expand government services even more. It all stands to reason: any teacher faced with inadequate supplies and a crumbling building, or doctor or nurse working in an overcrowded emergency room with overwhelming problems, any child-care worker with a huge and unmanageable caseload, can come to no other conclusion. It may seem a rather inhuman exercise to examine whether this analysis makes sense. But let us consider this commonly received wisdom in detail. It may throw some light on our current problems.

Poverty without opportunity?

The change in the New York City job base is commonly presented as the major cause of our problems. The transformation has been enormous, and it is true that jobs requiring brawn have declined as against jobs requiring education. But jobs requiring brawn alone were not often good jobs, though on occasion a union managed to organize an industry of unskilled workers and make them better jobs. If the jobs of today require more in the way of literacy and education than the jobs of some decades back did, it is also true that the opportunities to acquire education and training have expanded greatly. The city of the 1920s was one in which relatively few attended or graduated from high school, and in which there were few places in the city's free colleges. The city of the 1980s and 1990s is one in which everyone is expected to go to high school and great resources are expended in making it possible for everyone to graduate. The city colleges are greatly expanded and new community colleges are open to all. The replacement of jobs in manufacturing with jobs in business services, social and educational services, the health industries and professions, and government—which is the main shift in jobs that has occurred—does not necessarily mean a decline in jobs capable of supporting a family, and does not demand on the whole more skills than the

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migrants and immigrants of the postwar years came with or could acquire.

Clearly this is a very summary judgment of a very complex development. But I would argue that it is hardly the case that on the whole well-paid jobs in manufacturing requiring little in the way of education were replaced by poorly paid jobs requiring a good deal more. There were dead-end jobs in manufacturing as well as in services. In New York's major industry, clothing manufacturing, pay was always low, and steady employment not commonly available.

New York, despite the fact that it became a poorer city measured by percentage of population in poverty or income in relation to the rest of the nation, remained a city of opportunity, looked at objectively. The contrast between the slums of hope and the slums of despair is illusory. The Depression began in 1929 and lasted until 1940; during most of that period unemployment was considerably higher than in any of the years since. There was very little cause for hope during that long period. It is only in retrospect that we can call the concentrations of the poor in that earlier period slums of hope, as if everyone had a guarantee that the Depression, with its huge unemployment figures, would end, that a period of good jobs would eventually come. This was so little believed in the 1930s that probably as many immigrants in that period went back to their homelands defeated as came to America.

One striking fact of the past two decades makes this contrast between the then presumed city of opportunity and the present presumed city of dead ends seem particularly obtuse. All during the 1970s, while the city hemorrhaged jobs and population, immigrants flowed into it at a fairly steady rate, enabled by the changes in immigration law in 1965. They were coming for jobs, skilled and unskilled, they opened small businesses, they joined family members, just as in the past and as if New York were not undergoing an economic disaster. They have continued to come in the 1980s and will continue to come in the 1990s.

This one fact must give us pause when we consider the analysis that tells us that a changing population and a declining job base has produced a city of poverty without opportunity. Eighty or ninety thousand immigrants a year flow into the city (not counting illegal immigrants). Fifteen percent or more of all the legal immigrants to the United States come to New York City, which contains only 3 percent of the population of the country. They face the same diffi-

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culties that the immigrants of the 1920s did, and as they did then they seem to surmount them—better than the native migrants of the 1940s and 1950s from the South and Puerto Rico have.

We continue to see people with language difficulties and limited skills daily taking advantage of opportunities—in retail business, in small enterprises, in the use of the educational opportunities of the city. Our problem, I would argue, is not in large that the opportunity structure of the city has changed. Indeed, in some respects it has changed for the better. It is how we are to understand why so many people cannot take advantage of these opportunities.

Pathology amidst prosperity

A second striking fact we should put alongside the fact that while the city was undergoing the painful crisis of the seventies immigrants continued to flow into it: During the 1980s, when the economy revived, when new jobs were being created, when for the most part unemployment was low, and business searched for entry-level and skilled workers, we saw no great decline in the problems that were attributed to lack of jobs and unemployment. The term "underclass" first became popular in the 1980s, created to describe what seemed to be a new phenomenon. New York City has been acquainted with poverty through its entire history—that is not new. It has been acquainted with unemployment, and indeed massive unemployment, as during the Depression. It had, however, not been acquainted with the presence of a large group for whom the words poverty and unemployment did not seem to provide a proper identification, since these terms assume that with the opportunity to take jobs unemployment and poverty will decline. There was a growing complex of female-headed families, high rates of illegitimacy, a growing number of young men neither in the labor force nor in school, high levels of crime. Crime declined somewhat in the early 1980s, so New York's revived prosperity may have had some effect (or, more likely, the decline in the number of young men did), but crime then rose again in the mid-1980s, even while prosperity continued. There was a growing drug problem that seemed impervious to high levels of policing, a substantial array of therapeutic and treatment facilities, or changing economic conditions, and that devastated communities whether the city was prospering or not.

In the mid-1960s, Daniel Patrick Moynihan, then an assistant secretary of labor, pointed out, in a report that became famous for

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other reasons, that one could detect something ominous happening in the relationship between welfare and unemployment. Until the early 1960s, the two figures had been closely connected: when unemployment rose, welfare rose. It stands to reason. Welfare was a means of dealing with distress, often temporary, as a result of changes in the economy. But then the two measures became disconnected. Unemployment dropped—but welfare kept on rising. One could see the same phenomenon in the City of New York. Welfare tripled in New York in the 1960s, which was generally a period of prosperity. From a program of 300,000 persons, less than 5 percent of the population of the city, it rose to one million, about 15 percent of the population of the city. That figure of roughly one million has remained remarkably stable since, for about two decades. It responds to some extent to changes in the economy and the rate of unemployment, but for the most part it remains unaffected by such change.

Other measures also seem on the whole immune to changes in the economy. The explosion of drug use—particularly use of crack—in the mid-1980s seemed to have nothing to do with any decline in opportunities, or indeed any change that should have increased the sense of despair and hopelessness that some claim is the reason for the resort to drugs. The percentage of female-headed families, already rising in the early 1960s, has continued to rise to epidemic proportions among the black population, for reasons that are still debated and obscure.

In a word, the poverty we see today, and that is presented as the cause of the social problems that afflict the city, is so different from the poverty of that earlier immigrant city as to not seem the same thing at all. That earlier poverty could be overcome through opportunity to work; it could be assuaged through welfare and social insurance programs designed for hard times and misfortunes. This new poverty seems impervious to opportunity and to the business cycle, neither going up when times are bad nor down when times are good. This is the change that in the large makes the city of today so different from the city of the 1920s.

We have become the kinder city that Fiorello H. LaGuardia and Robert Wagner and other reformers of the 1930s fought for. Our welfare is more extensive, covering more people, more generously than in the 1930s (though we have declined a good deal from the generosity of the late 1960s). We have cleared great areas of the city of old tenements and replaced them with modern housing,

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heavily subsidized by the federal, state, and city governments. We have greatly increased the staffing of our schools; some of that, it is true, is for such functions as school guards and the care of the babies of students, needs that we did not have in the 1920s and 1930s, but most of it is for teachers and teachers' aides. We have created new institutions of higher education, and opened them wide to anyone who gets a high school degree, of whatever type or quality. But all this, it seems, does not do much to create a better city, with less poverty, lower crime, less drug use, fewer social problems.

Senator Moynihan, writing in *The Public Interest* in 1989, reviewed the great spate of social programs designed to overcome the poverty of the 1960s and considered where we succeeded and where we failed. These social reforms, he wrote, were most successful—were hugely successful—"when we simply transferred income and services to a stable, settled group like the elderly. [They] had little success—if you like, [they] failed—where poverty stemmed from social behavior."

That is a startling point, little made or noted in present-day politics or social analysis. We think of poverty as owing to economic change, lack of opportunity. It can also be owing to personal behavior. The line may not be easy to draw—persistent lack of opportunity may well lead to self-defeating personal behavior. But we can also find this behavior in the presence of opportunity. It is possible for people to bring misfortune on themselves. One can insist that it is poverty or insufficient income that is the root cause, but we know that people in similar situations will respond differently. Some girls will become pregnant and some won't. Some boys will father babies they cannot support and some won't. Some will become drug addicts and in the same circumstances others will not. Some pregnant women will be affected by the information that taking drugs or smoking or drinking will harm their babies and some won't.

Passing judgment

Of course there is a rough equivalence between poverty and other background conditions that helps explain who responds in one way and who in another. But I would emphasize the word "rough." There is no predestination.

New York has always had poor people. In the past there seemed to be a regular succession, so that the poor in time, at different

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rates for different ethnic groups, but in a process that affected all, rose from poverty. It seemed to be the natural course of events that new migrant or immigrant groups would enter the city at the bottom, and would in time rise—as newer groups entered at the bottom. That process is still going on, but at one point in our history it seems to have gone badly askew. Native blacks and native Puerto Ricans, whose major period of migration into the city ran from the 1940s to the 1960s, seem to do poorly when measured by such indices as family income, family stability, illegitimacy, and work behavior, and we don't know why. It cannot be because the city they came to in the 1950s and 1960s did not offer opportunity. It did. It is hard to believe it was the discrimination they faced—all during this period discrimination was declining and under steadily more severe legal attack. It cannot be the whole explanation that at a key period in the 1970s the city went through a traumatic loss of jobs. Others with no particularly greater skills or education continued to come to the city, and managed to get on the first difficult rungs of opportunity. There was indeed a change in behavior—it affected, and it continues to affect, all of us, in whatever racial or ethnic group or class, as we see in the very high levels of family breakup, of illegitimacy, of drug use. But it has affected some groups more severely than others, and seems to have crippled large numbers.

Our immediate response to problems is—deal with them. Add more social workers, policemen, therapists, doctors, and all the others who deal with the huge volume of social problems we generate. And indeed, placed as we are, as teachers, doctors, nurses, or what have you, what else can we do? But is there not another task, which is to try to change the self-destructive behavior, rather than deal with its consequences, or rush into finding excuses for it? I have been deeply impressed by one recent analysis of the problems of New York City, by Roger Starr. In his *The Rise and Fall of New York City*, he writes

> Far from attempting to impose moral order on the poor, society has adopted a neutral attitude in moral matters.... Consider the case of a hospital in New York City that dedicates a ward to the treatment of patients with subacute bacterial endocarditis, an infection of the heart muscles and valves. In this ward are placed those patients who contracted their disease by injecting their veins with narcotics, using an infected needle.

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Starr describes the difficulty and expense of the treatment. The patients, suffering the symptoms of withdrawal

> are graceless, even insulting, impatient, destructive, dirty, doomed people snatched from addiction unwillingly and usually prepared to return to it upon their release from the hospital. With their renewed addiction will return all the nasty and dangerous ways of getting the money to pay for the narcotics: stealing, mugging, perhaps even murder.... The treatment of the patients in this ward is paid for by government or given free by the hospital. The patients are, in effect, treated no differently than they might be if they had incurred an infection while trying to save someone's life rather than in the process of trying ... to end their own. It is altogether proper that they should be saved.... Yet, somehow, to say that they should be saved is not enough.
>
> What seems missing is the passing of judgment on the matter.

I find this a very powerful comment on our present social difficulties in New York. In the New York of the 1920s and 1930s, judgment was passed, in profusion. We had the deserving and the undeserving poor, we had an 18th Amendment that banned alcohol, we had the universal condemnation of illegitimacy, the illegality of abortion, and relief by private groups that took upon themselves the passing of judgment on proper and improper behavior. In the 1960s, all that changed, and we are in many ways the worse for it.

Would the passing of judgment help? In some cases, we think it can. So when Mayor Dinkins stood by as some blacks engaged in a lengthy boycott of Korean merchants—the last-but-one migrant group attacking the livelihood of the most recent migrant group—he was criticized, prompting him to make the most forceful statement calling for tolerance in race relations that possibly any mayor has made.

The question is, what do we do when poverty is the result not only of lack of jobs, or low-paying jobs, or changes in industry, or an unfriendly business environment by government, or discrimination? Those problems we can deal with, or try to deal with by targeted public programs, and we have developed great experience in dealing with them over the past thirty years. But what do we do when poverty is the result of self-destructive behavior? We set a standard for behavior in race relations. Can we set a standard for behavior towards oneself and one's family and one's neighbors—and if we set it forcefully, and uncompromisingly, would it help?

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One hundred years of antitrust

LINO A. GRAGLIA

LAST YEAR we celebrated the centennial of the 1890 Sherman Antitrust Act, although repentance and commiseration might have been more appropriate responses. Along with the 1887 Interstate Commerce Act, the Sherman Act began centralized government regulation of the American economic system. Only those who consider this a move in the right direction—contrary to what is surely the central economic lesson of the twentieth century—can find cause for celebration.

The decades following the Civil War were an era of unprecedented and never-repeated economic laissez faire. Entrepreneurs operated virtually free of regulatory restraint, and taxes were lower than ever before—or since. The result was an equally unprecedented growth in productivity and wealth, bringing the American people a level of prosperity that became the envy of the world. At one point America—with about one-twentieth of the world's people—produced one-third of the world's wealth. But while greatly

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increasing wealth, free markets also increased disparities of wealth; many people found this intolerable, and they demanded an immediate government response. The Sherman Act was among the first fruits of that call to action.

The Sherman Act is very brief, prohibiting monopolization, attempted monopolization, and agreements in restraint of trade, without defining any of those terms. It is often noted that the act has, in the words of Chief Justice Charles Evans Hughes, "a generality and adaptability comparable to that found to be desirable in constitutional provisions." What is puzzling is that this should be seen as an accolade. The act is indeed comparable to the Constitution's due process and equal protection clauses—or at least to what the Supreme Court has made of those clauses—but that is to say only that it is essentially without content and therefore wholly unsuitable as a provision of law, especially a criminal law. The act's emptiness is indicated by the fact that it was passed unanimously in the House and with a single (unexplained) dissenting vote in the Senate. Only something as vacuous as a resolution supporting motherhood can garner virtually unanimous approval. Was John D. Rockefeller really so bereft of political influence that a measure apparently directed at doing him in could be enacted with only a single vote cast on his side?

The Sherman Act is sufficiently inscrutable that from the beginning it has been unclear whether it protects competition or restricts it: Does it protect consumers' interest in low prices or small businessmen's interest in high prices? The confusion is illustrated by the Supreme Court's statement—in its first case applying the act, *United States* v. *Trans-Missouri Freight Association* (1897)—that the act could be violated by business combinations that lower prices as well as by those that raise them. Low prices, the Court said, may "drive out of business the small dealers and worthy men whose lives have been spent therein and who might be unable to adjust themselves to their altered surroundings."

The Court early held that the act prohibited cartelization ("naked" price-fixing agreements that do not involve any integration of operation) and that it could undo monopolistic mergers. The act seemingly had to mean at least this. The uncertainties of the act were such, however, that even those decisions were reached only by five-to-four votes; Justice Holmes strongly dissented in the first merger case, arguing that mergers were not prohibited by the common law against restraint of trade on which the

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Sherman Act was purportedly based. The act's prohibition of cartelization was not definitely settled before 1927.

In *The Antitrust Paradox* Robert Bork argues—as have other "Chicago School" (free market) economists and antitrust scholars—that antitrust law can have value provided that it does nothing but prohibit cartelization and monopolistic mergers (i.e., mergers that create a dominant firm). D.T. Armentano and other economists, however, argue that even this is likely to do more harm than good. They contend that cartels are sometimes useful; they also note that cartels are notoriously unstable and short-lived, and that inefficient monopolies that restrict output are likely soon to erode if the government does not protect them. In any event, the question is not whether cartels and mergers of large corporations are desirable, since only a very small percentage of present-day antitrust litigation deals with this issue; instead we must ask whether the enactment of laws against them, resulting in the creation of a whole new class of lawyers, is likely to do more harm than good.

The myth of predatory pricing

The act achieved perhaps its greatest and most famous triumphs in 1911, when the Supreme Court held that it required the dissolution of the giant enterprises assembled by John D. Rockefeller (the Standard Oil Company) and James B. Duke (the American Tobacco Company). Monopolies are thought to be bad because they restrict output in order to raise prices, which results in the socially inefficient use of resources. But if that is the case, Armentano argues, it is unclear that we should celebrate the break-up of the oil and tobacco trusts. In fact, the exertions of the supposed monopolists seem to have resulted in greatly increased outputs and steady declines in prices—outcomes to be anticipated when technological advances, economies of scale, and increased efficiencies of operation are introduced.

Thus the price of kerosene, the principal petroleum product, fell from thirty cents a gallon in 1869 (just before the Standard Oil Company was formed) to nine cents in 1880 and six cents in 1887. The output of tobacco products expanded between 1890 (when the American Tobacco Company was formed) and 1907 (when it was charged with illegal monopolization); the price of many tobacco products declined, despite increases in the price of tobacco leaf. Further, by lowering the price of kerosene below that of whale oil

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(until then the principal fuel used for lighting), Rockefeller probably did more than anyone else to save the whales—not, unfortunately for him, an exculpatory factor in those less ecologically sensitive times.

The principal wrongdoing charged against Rockefeller was predatory geographic price discrimination. He allegedly used profits from monopoly areas to finance sales below cost elsewhere, thereby driving equally efficient competitors into bankruptcy and obtaining additional monopolies. Simple economic analysis indicates, however, that such a tactic could rarely if ever succeed: if the competitors lose money, the aspiring monopolist—with a greater market share—certainly loses even more; whereas the compensating profits that he hopes to reap after expanding his monopoly are only remote and speculative. Furthermore, the bankruptcy of a competitor, even if achievable, does not eliminate his physical plant, which remains ready to be brought back into use when the monopolist attempts to recoup his losses by charging monopoly prices.

John McGee's thorough 1958 review of the record in the Standard Oil case corroborates this analysis by finding little or no evidence of predatory pricing. The crime for which Rockefeller is most famous—the crushing of small rivals by the weight of his great "monopolistic" wealth—almost certainly never occurred. Similarly, Duke more enriched than bankrupted his rivals. He bought out their businesses at high prices in order to close them down, employing a tactic that is more likely to attract than repel the entry of competitors. Predatory pricing, a major theme of and justification for antitrust law, is largely a fantasy, a product of the self-justifying imagining of businessmen defeated by more efficient competitors.

Unfortunately, popular belief in the reality of predatory pricing was partially responsible for the passage of a second antitrust statute in 1914. This was the Clayton Act, one section of which deals with the supposed problem of businessmen selling their products for too little. In 1936, in the depths of the Depression, when competition—indeed, capitalism—was frowned upon, the Clayton Act was amended by the Robinson-Patman Act specifically to punish the Great Atlantic and Pacific Tea Company for inventing the supermarket and lowering the cost of food. A&P's new low prices and shopping convenience did indeed alter the surroundings of its many less efficient competitors, the "small dealers and worthy

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men" whose narrow interests were somehow thought more worthy than the broader interests of consumers everywhere. In one of many outrages perpetrated on the public in the name of antitrust, A&P was duly indicted, convicted, and penalized: it was fined $175,000 in the criminal action, partly dismembered, and placed under various special restrictions in the government's subsequent civil action.

Supermarkets were never simply outlawed. Still, A&P had to take care not to bargain too hard for low prices from its suppliers; it was also forbidden to provide wholesale broker services to retail competitors, even though it could do so at lowest cost to them. By making every price reduction a potential basis for litigation and liability, antitrust has undoubtedly served more to hinder than to foster competitive markets.

Restricting vertical arrangements

The year 1911 is also preeminent in the history of antitrust because of the Supreme Court's surprising decision—in *Dr. Miles Medical Co.* v. *John D. Park & Sons Co.*—that the Sherman Act forbids manufacturer-dealer agreements that set a minimum resale price, thereby preventing manufacturers from controlling the distribution of their own products. The decision opened the vast new antitrust field of buyer-seller or "vertical" arrangements. Such litigation has little to do with trust-busting, and it apparently was not contemplated by the act's proponents. Vertical arrangements are the source of the bulk of antitrust litigation today—over 90 percent of which is brought by private plaintiffs, not the government. As a result, a statute supposedly necessary to protect national markets against monopolistic combinations has degenerated into a vehicle for litigation of dealer complaints against their suppliers.

The Court's prohibition of resale-price-maintenance agreements in *Dr. Miles* rested, like much of antitrust, partly on metaphysics, partly on economic and commercial ignorance, and mostly on the natural instinct of lawyer-judges to expand liability. Metaphysics dictated that mere contractual arrangements between consenting adults ought not to be allowed to overcome the "inherent" right of unrestricted alienability that "runs" with the transfer of title to goods. The Court established this right by quoting *Coke on Littleton*, the authoritative source of ancient common law, for the proposition that if a man "be possessed ... of a horse, [and he] sell his whole interest or property therein [and] hath no possibility of a

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reverter, [a] condition that the ... vendee shall not alien the same ... is void." Whatever might be said for this rule in connection with the transfer of horses in the seventeenth century, its relevance to an antimonopoly statute and applicability to the distribution of goods in a modern economy are unclear.

There is little economic and commercial rationale for the belief that a manufacturer could have no interest in maintaining minimum retail prices for his goods independent of the interest of the retailers, and that any such requirement must have been forced on him by a dealer cartel. Today it is understood that manufacturer control of resale prices may be necessary for efficient distribution. For example, the manufacturer may wish to protect dealers' profit margins in order to enable dealers to provide costly services—such as demonstration, large inventories, and prominent display—that serve to increase sales, because they are more valuable to consumers than a lower retail price. Resale-price-maintenance agreements can solve the "free rider" problem of some dealers selling the product at discount prices on the strength of services provided by other dealers; if not corrected, this problem will lead to the services being performed by no one.

Although the rule against resale-price maintenance was originally justified to protect manufacturers from dealers, the opposite justification is usually given today. Now it is argued that dealers (small businessmen) need protection from oppressive manufacturers. But because the rule does not restrict manufacturers' ability to distribute their products through their own outlets, its perverse effect is often to encourage manufacturer involvement in retailing, thereby eliminating independent dealers. Populist judges, such as Justice Hugo Black, "protected" small businessmen from large manufacturers to such an extent that lobbyists for small business actually began to beg Congress for less protection.

Dr. Miles nicely illustrates how decision-making in antitrust, as in many other areas, depends much less on law than on judges' ideological predispositions. Charles Evans Hughes, the author of the opinion, was more than usually intelligent and well-educated, but subject to "progressive" impulses that are unfortunate in a political leader and calamitous in a judge. A typically hubristic progressive, he readily believed that he possessed the knowledge and ability to improve almost any existing state of affairs. Like most able and successful lawyers, certainly including most judges, he had a

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natural fondness for law—more of which, he generally concluded, was better.

On the opposite end of the spectrum from Charles Evans Hughes—in terms of optimism, enthusiasm for social betterment, and taste for bombast—was Oliver Wendell Holmes, Jr., the only Supreme Court justice in our history worthy of the title of philosopher. Holmes was the ultimate realist and therefore a pessimist and skeptic. "[I]f my fellow citizens want to go to hell, I will help them," he said. "It's my job." Like Dr. Johnson, he had the rare ability and willingness to look life in the eye and accept what he saw. His realism and his related recognition of judges' severely limited competence left him reluctant—unlike Hughes and most other famous judges—to assume control of other people's lives.

Holmes, who saw the Sherman Act as "damned nonsense" and "humbug," protested vigorously against Hughes's enormous expansion of its coverage in *Dr. Miles*. His dissent expressed a philosophy of judging that should be universally adopted:

> There is no statute covering the case; there is no body of precedent that by ineluctable logic requires the conclusion to which the court has come. The conclusion is reached by extending a certain conception of public policy to a new sphere. On such matters we are in perilous country.... [I]t is safe to say that the most enlightened judicial policy is to let people manage their own business in their own way, unless the ground for interference is very clear.

Here Holmes articulates the credo of antiprogressives, who believe that the presumption should be in favor of individual freedom and against the expansion of legal liability and government control. That credo, urgently needed in our overlawed society, is almost never taught in our law schools.

Tying arrangements

Hughes was only mildly progressive, however, compared with John H. Clarke, whom Woodrow Wilson appointed to the Court in 1916. Clarke was the paradigmatic liberal, unshakably committed to belief in the possibility of bringing earth closer to heaven through more law and government. He was ideally suited to be a Sherman Act (and constitutional law) judge; he was perfectly willing to create law for every occasion, and he had no compunctions about the propriety of doing so. Proponents of judicial activism—lawmaking by judges rather than by elected legislators—invariably believe that there are objective, ascertainable "right" answers to

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basic social problems, because they deny that social problems result from conflicting legitimate interests and can be resolved only by political judgments. Invariably, judicial activists also distrust democracy. Clarke possessed these essentials to a high degree: as a biographer put it, he believed in a "natural or higher law which in the end meant [as it always does] his own personal ideals of what was right," and he had "a brand of class prejudice that resisted giving power to the masses."

It followed from Clarke's commitment to "social justice" that he rarely missed an opportunity to expand liability under the Sherman Act—or liability in general—by whatever logic or means might be necessary. In *Motion Picture Patents Co.* v. *University Film Manufacturing Co.* (1917), he entrenched in the law another great bogeyman of antitrust—the fear that businessmen can multiply monopolies by tying arrangements, in which a product (or product component) is sold only if the buyer also agrees to take another product. The Court held that although the owner of a patented machine (a motion-picture projector) had the legal right to restrict its sale or use in any way, he could not limit sales to exhibitors who agreed to operate it only with film obtained from the seller. This restriction, according to Clarke, was "imposed upon the use of the supplies only, and it cannot with any regard to propriety in the use of language, be termed a restriction upon the use of the machine itself." He therefore concluded that the restriction, which he saw as an unjustifiable attempt to use the monopoly of the patented machine to monopolize unpatented supplies, was impermissible.

Actually, Clarke was the one guilty of an improper use of language. It is true by definition that to permit a machine to be used only with specified supplies is to place a restriction on the use of the machine. Clarke's technique for avoiding this unavoidable conclusion is surely a classic in the history of argumentation. His conclusion was so clearly correct, he boldly asserted, that "it would serve no good purpose to amplify [it] by argument or illustration"; it was "so plain that to argue it would obscure it." Yet the Court had reached the opposite conclusion just a few years before, and Holmes's dissent demonstrated that Clarke's reasoning was mistaken and his conclusion untenable.

Again, simple economic analysis demonstrates that tying arrangements are not devices by which monopoly power—the power to restrict supply of a product so as to drive up its market price—can be multiplied. A monopolist of one product (say, a bolt)

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may require buyers to take another product (a nut) from him, but this does not enable him to extract higher prices. Because the buyer is interested only in the total cost of the nut-and-bolt combination, a monopolist charging the profit-maximizing price for the first component cannot make an additional profit by raising the price of the second above cost; to do so would exceed the profit-maximizing price for the combination and thus lessen profits.

In some circumstances, it is true, a tying arrangement can be used for price discrimination, as a counting or metering technique to charge different customers different prices according to the amount of their use of the product. For example, a monopolist of a stapler may sell or lease it at a low price and make his profits by requiring his customers also to purchase his high-prices staples, so that those who use (and value) the machine the most must pay the most. It is unclear that such arrangements should be considered objectionable, however, since they can serve to expand output and make the product more widely available, by permitting low-price sales to users who would not buy if the monopolist had to sell at a uniform price.

As in the case of the prohibition of resale-price maintenance established in *Dr. Miles*, the restriction on tying arrangements has not been abandoned, even though the reasoning for it was fallacious. Tying arrangements are still said to be "illegal per se"—that is, they are illegal even if they are efficient and do not restrict output. When the original reasons for a restriction are shown to be baseless, members of the antitrust bar—along with others who instinctively support government regulation—invariably find new reasons to keep it in effect. How valuable can rules be, though, if their original rationale is mistaken?

The threat that the Sherman Act posed to large industrial combinations was much abated as a result of the Supreme Court's 1920 decision in *United States* v. *United States Steel*. The decision rejected the government's challenge to Andrew Carnegie and J.P. Morgan's formation of the United States Steel Corporation, the world's first billion-dollar corporation, out of what had been some 180 separate companies. Noting that United States Steel had proved very helpful during the recently concluded World War, a sympathetic four-to-three majority found that the company was no longer a monopoly, its share of production having declined from about 90 percent to about 50 percent. The majority also ruled that "mere size" is no offense unless achieved or maintained by

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"abuse"—improper business behavior. The company was found, paradoxically, to be exceptionally well behaved: instead of injuring other steel producers by competing for sales, it entered into price-fixing agreements with them, assuring high profits all around—which explains why its market share declined so rapidly. Its "good behavior" was, of course, much less beneficial for consumers of steel products.

The New Deal

Antitrust was of limited importance thereafter until the coming of the New Deal. President Franklin Roosevelt's first response to the Depression was not to encourage competition and free markets but to permit their suppression by combined government, business, and labor control. The National Industrial Recovery Act of 1933 not only permitted industry cartelization, but permitted a majority within an industry to force cartelization on a reluctant minority. The National Recovery Administration (NRA) was an acknowledged failure—even before the Supreme Court, quite improperly, rushed to hold it unconstitutional in 1935 (just days before it would have expired of its own accord).

In a complete about-face, the New Deal decided that perhaps the problem was not too much competition after all but not enough, and turned to a program of reinvigorated antitrust. A separate antitrust division was created for the first time in the Department of Justice, with populist crusader Thurman Arnold at its head; substantial funds and numbers of lawyers were made available for serious antitrust enforcement. All of this left the government in desperate need of a monopolist to sue, in order to show that the Sherman Act still had teeth—or at least could be given a new set. Monopolists, however, are very hard to find in the American economy, and so the Aluminum Company of America (Alcoa), for forty years the sole domestic producer of primary aluminum, was the obvious, if not the only, choice. The government had sued Alcoa twenty-five years earlier, and Alcoa had apparently complied fully with the consent decree that settled the case, but that was not enough to keep the government from attacking again. A quorum of six justices could not be found to hear the case in the Supreme Court, because several justices had to recuse themselves on account of prior connections with the interminable litigation. As a result, the Court of Appeals for the Second Circuit (New York) was the highest court that the case could reach.

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This was a case that the government obviously could not have been permitted to lose, for that would have dashed its hope that more antitrust law more vigorously enforced would end the Depression. Had the case been lost, the government might have been forced to recommend free enterprise and lessened regulation, which were unthinkable options for the New Deal. The court of appeals, fully aware of this, reversed the innocent district judge's full exculpation of the company and permitted the government to win. It did so, however, for the strangest reason possible, one more in keeping with the logic of the NRA than that of antitrust. The economic evil of monopoly, one would think, is that monopolists may maximize their profits by restricting output in order to raise market prices. In 1945 the putative monopolist Alcoa was condemned, incredibly, not for restricting but for *expanding* output, by building new productive capacity to meet the rapidly growing demand for aluminum that it had done its best to stimulate. In essence, Alcoa was found to be an illegal monopolist because it did not demonstrate the evil of monopoly, whereas United States Steel was exonerated because it did.

Alcoa did not restrict output in order to obtain monopoly prices, because it could not: it was not a monopolist. Foreign producers competed strongly against Alcoa, as the court acknowledged; but the court refused to include in the relevant market Alcoa's other competitors, the domestic producers of secondary (recycled) aluminum, and the domestic producers of copper and steel. Although the decision could not be appealed to the Supreme Court, in a later case the Court approved both the *Alcoa* result and the reasoning behind it. The message to American business—the predominant message of the Sherman Act for over thirty years—was loud and clear: succeeding against competitors was dangerous; selling good products at low prices invited prosecution and punishment. Thereafter, antitrust harmed consumers by restricting competition. For example, since over half of automobile sales went to General Motors, it had to be careful to keep its prices high, to ward off an expansion of its market share that might have prompted litigation against it.

This message was strongly reinforced by the government's only other major "antimonopoly" litigation of the era, its suit against the United Shoe Machinery Company. Throughout the history of the Sherman Act, United had the misfortune of frequently attracting government attention. Although not an industrial giant, United was

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notable because it held a dominant industry share, albeit in a relatively small industry. United had been cleared three times of antitrust charges by the Supreme Court, but in the post-*Alcoa* antitrust world it appeared that merely to hold a large industry share was to commit a Sherman Act violation. Thus it was unsurprising when the government filed suit a fourth time in 1951. After three years of trial at fabulous expense, the government finally succeeded in establishing—to the satisfaction of District Judge Charles Wyzanski of Boston, an original New Dealer—that United was indeed a lawbreaker. A unanimous Supreme Court affirmed the decision but did not hand down an opinion.

In popular imagination a monopolist is, of course, an oppressive exploiter whose victims cheer its downfall, having sought liberation from its grasp. In the real world of antitrust, the victims of putative monopolists are often difficult or impossible to find. The condemnation of United did not rest, Judge Wyzanski said, on "moral considerations." That is, there was no evidence that it had done anything wrong. United's customers—mostly very small shoe manufacturers—were indeed eager to testify in the case, but only on United's behalf. United, it seemed clear, kept the large market share that brought on its legal troubles only because, as market theory would suggest, it served its customers extremely well.

The principal indication of "monopolistic" behavior was United's policy of leasing its machinery rather than selling it. Leasing had, of course, never before been considered a suspicious—much less an illegal—method of doing business. All shoe machinery manufacturers leased their equipment—making entry into shoe manufacturing very easy—because leasing was apparently what shoe manufacturers preferred. The government argued, however, that United's lease-only policy created unjustifiable "barriers to entry" into shoe-machinery manufacturing by "foreclosing" United's customers from its actual or potential rivals. This reasoning seems not merely obtuse but perverse: after all, purchasers of durable, expensive machinery are obviously at least as much removed from the market as lessees, and probably more so.[†]

[†]In fairness, I must admit that economic ignorance can work in favor of, as well as against, antitrust defendants. For example, in the 1954 *Dupont (Cellophane)* case the Court held that Dupont, the sole domestic producer of Cellophane (except for restricted production under a Dupont patent license), did not have monopoly power, despite very high profits, because it could not raise the price of Cellophane without losing too many sales to substitute products. Because a price increase is by definition

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The court decreed, among other things, that United had to offer its machines for sale as well as lease; leasing was simply too valuable to shoe manufacturers to be completely prohibited. Ten years later, however, the decree had not significantly lowered United's market share. This, of course, proved that United's original insistence on leasing was neither monopolistic nor a significant source of United's success after all. In other words, United ought not to have been found liable in the first place. It might seem that the government therefore owed United an apology and recompense. Undaunted, however, the government instead reinstituted the litigation, arguing that United's continued success showed only that more drastic "remedial" action was necessary. This was too much even for Wyzanski, who denied further relief. On appeal by the government, the Supreme Court reversed his decision; Justice Douglas's decision ordered that United be partly dismembered.

The Warren Court

The Warren Court era (1953-1969) was the heyday of antitrust, an era of an almost unbroken chain of victories by both the government and private antitrust plaintiffs. A business brought as a defendant before the bar of a court headed by Earl Warren, on which sat Justices Douglas, Black, Brennan, and Goldberg, was in a lot of trouble. Antipathy to business, indifference or worse to private property rights, and enthusiasm for economic regulation were articles of faith for the Court's majority. It lived with the fear that big business, in Douglas's words, "can become a menace—both industrial and social" and with the conviction that "industrial power should be decentralized ... [and] scattered into many hands." The Warren Court saw large corporations not as productive enterprises but as predatory monsters. Its view is captured by Douglas's reference in one opinion to the "tentacles" of United States Steel.

There are many candidates for the title of the most pointless, if not positively harmful, Supreme Court antitrust decision of this era, but the Court's 1968 decision in *Albrecht* v. *Herald Company* is surely among the contenders. The Court held that a newspaper publisher violated the Sherman Act by obtaining agreements from providers of home-delivery service that they would not charge the

unprofitable if a product is already being sold at its profit-maximizing monopoly price, this reasoning is known internationally as "the *Cellophane* fallacy."

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newspapers' buyers more than a specified price. Because multiple home-delivery distributorships are inefficient in a single area, each distributor was given an exclusive territory, making him a mini-monopolist. The defendant was required to pay the deliverer treble damages and attorneys' fees for the offense of seeking to protect itself and its customers against monopoly overcharges.

The only effect of the *Albrecht* decision—besides the substantial wealth transfer involved—was to induce newspapers nationwide to terminate independent delivery services and provide for delivery through paid employees. Their response predictably led to a second round of antitrust litigation, in which terminated contractors alleged illegal attempted monopolization of newspaper home delivery. The litigation was based on still another familiar antitrust economic fallacy—that vertical integration, like tying, permits multiplication of monopoly power. Even antitrust enthusiasts have found it hard to deny that the *Albrecht* decision simply manifested mindless hostility to "big business."

The Celler-Kefauver Antimerger Act of 1950, an amendment to the Clayton Act, greatly aided the Warren Court in its antitrust efforts. The act was in response to a 1948 Federal Trade Commission study, which warned of the dire consequences to be expected from continuation of a "merger wave" supposedly taking place then. A disinterested scholarly study made after the act was passed showed that the alleged wave existed only in FTC misperceptions. That did nothing, however, to dampen the enthusiasm of the FTC and the antitrust division of the Department of Justice for vigorous enforcement of the act, or to check the Supreme Court's enthusiasm for expanding its application. During its heyday in the 1960s the act was used to disallow acquisitions that almost no one today would contend were anticompetitive. As Justice Stewart once pointed out in dissent, "the sole consistency" in the Court's antimerger jurisprudence was that "the government always wins." The principal effect was probably to injure competition by reducing the liquidity of capital assets and the salability of even relatively small businesses.

Recent cases, contemporary trends

The most highly visible antitrust actions of the past generation were directed against industrial giants—IBM and AT&T. IBM's spectacular success obviously made it a sitting duck for antitrust attack, so it hired as counsel both a former attorney general and a

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leading specialist in antitrust. To no avail, however; IBM was attacked by the outgoing Johnson administration in 1969 and subjected to thirteen years of litigation and hundreds of millions of dollars in legal expenses. The government's suit launched the "Vietnam War of antitrust," with litigation even more protracted and costly than that endured by Alcoa, the previous record-holder. The proceedings were mercifully terminated in 1982 by William Baxter, President Reagan's first antitrust-division head, who simply dismissed the case. In the course of the litigation a Japanese graduate student asked me why the American government was pretending to want to break up IBM, the one American company with which his country could not compete. "Hard as it is to understand, they're really trying to do it, I'm afraid," I said. "They're not just trying to fool Japan—America is a strange country." "I see you're in on it, too," he said, with a wink and a knowing smile.

Litigation against AT&T was begun by the Ford administration in 1974; it culminated in AT&T's break-up in 1982. To most telephone users this government action seemed a clear violation of the counsel of wisdom, "If it ain't broke, don't fix it." AT&T seemed, at least to anyone who had tried to make a telephone call abroad, perhaps the least "broke" thing in America. Before the decision, AT&T had provided local telephone service through subsidiary, locally regulated operating companies—the "Baby Bells," which were thought of as "natural monopolies," because a single company can operate at lowest unit cost. AT&T had also provided nationally regulated long-distance service, and it manufactured telecommunications equipment through its Western Electric subsidiary. Technological advances (satellites and such) made competition possible in the provision of long-distance service, and it probably was always possible in equipment manufacturing.

The government's suit was based on the theory that a company in regulated monopoly markets should not be permitted also to operate in related unregulated competitive markets, because it might be able to use its monopoly position to gain advantages in the competitive markets; for example, local operating companies might favor their parent AT&T in providing local connections for long-distance calls. The Reagan administration and AT&T settled the case, largely to avoid further litigation, with AT&T agreeing to divest the local operating companies. It may be that this separation will foster competition in long-distance service and telecommunications equipment. At the same time, AT&T, now operating

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only in competitive markets, was freed to expand into non-telephone areas, specifically into the computer industry. Although AT&T's competitive freedom is undoubtedly a good thing, it seems unfortunate that the break-up of an exceptionally efficient operation was necessary to achieve it.

The history of antitrust since the Warren Court era has largely been a record of attempts to undo or limit some of the Warren Court's damage—just as the economic history of the country since the New Deal has largely consisted of attempts to undo the New Deal's damage. University of Chicago economists—notably Nobel Prize winners Milton Friedman in macroeconomics and George Stigler in microeconomics—have persuasively argued the disadvantages of government economic regulation and the advantages of free markets. Antitrust scholars trained or teaching at the University of Chicago Law School—in particular Robert Bork, Richard Posner, and Frank Easterbrook—have applied economic analysis to antitrust doctrines, showing them generally to be based on economic misconceptions. This scholarship has had a significant impact in the law schools and on the bench. Supreme Court justices appointed by President Nixon—particularly Chief Justice Warren E. Burger and Justice Lewis Powell—were receptive to a change of direction in antitrust (if not, unfortunately, in constitutional law). President Reagan's appointments of ardent proponents of free-market economics—such as William Baxter to head the antitrust division and James C. Miller III to chair the FTC—greatly strengthened and accelerated the trend.

The result is that Sherman Act restrictions on vertical agreements have been largely eliminated, except for the *Dr. Miles* prohibition against resale-price maintenance, and even that is being questioned and weakened. Congress, however, consistent with its recent policy of defending the Court's worst ideas whenever the Court shows any signs of abandoning them, has strongly indicated that it does not want *Dr. Miles* to be overruled. The Supreme Court and appellate courts have recognized that "predatory pricing" is at best a rare phenomenon; plaintiffs rarely prevail, now that the courts have adopted cost-based tests, which require that prices be below cost if they are to be found predatory. The Court has recognized that tying arrangements are not simply devices to multiply monopolies, and it has effectively eliminated the rule that such arrangements are illegal per se, making successful challenges very difficult. The *Alcoa* decision has been clearly repudiated and

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United Shoe Machinery at least weakened by recent decisions holding that even companies with large market shares are entitled—indeed, encouraged—to compete effectively.

Although few merger cases have reached the Supreme Court in recent years, the Court's response to mergers seems to be changing from severe hostility to ready acceptance. Even horizontal agreements are no longer condemned out of hand, unless no efficiency justification can be shown. In general, the "Chicago School" position has gained acceptance. It is now widely agreed that antitrust should be concerned solely with protecting consumers' welfare, that only cartels and mergers resulting in market control—arrangements restricting or threatening to restrict output—should be prohibited. Most important, the attitude that "if business wants to do it, it probably should be illegal" no longer prevails in the judiciary. If the trend continues, we may eventually be almost as well off as we would if the Sherman Act had never become law.

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How not to reform auto insurance

ROSS E. CHEIT & JONATHAN D. YOUNGWOOD

THE 1989 earthquake in San Francisco was not the worst thing to hit California insurers in the last few years. A ballot initiative was. Proposition 103, a radical measure designed to slash insurance rates by at least 20 percent, was placed on the state's 1988 ballot by "Voter Revolt," an organization affiliated with Ralph Nader. Three other competing insurance initiatives were subsequently put on the ballot, and insurance dominated the California election that year. Spending on the four initiatives eclipsed state-level campaign spending for either the presidential or senatorial races. Roxani Gillespie, the state insurance commissioner at the time, warned that Proposition 103 might affect insurance companies so severely that it would force the state to enter the insurance market. She predicted that thirty-five of California's 372 auto insurers would go bankrupt within two years.

According to an insurance industry trade magazine, "the earth shook" after Proposition 103 was approved. An industry-sponsored poll indicated that nine out of ten voters nationwide would support a measure like Proposition 103 in their own state. Bills to roll back rates have since been approved—and are under court attack—in

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Nevada and Pennsylvania. A network of consumer groups is pushing similar proposals in at least fourteen other states, prompting the *Wall Street Journal* to venture that the next "populist revolt" will be against the insurance industry

Nevertheless, it is easy to overstate the political significance of the vote on Proposition 103. It is hardly surprising that a majority of California voters favored a 20-percent reduction in insurance rates. Who wouldn't jump at the chance to pay less for a product, particularly one as expensive and intangible as insurance, where those who do not file claims usually feel that they have paid something for nothing? What is remarkable about the California initiative is that so few people supported the measure. Proposition 103 barely passed, receiving only 51.9 percent of the vote despite the vigorous and highly visible endorsement of Ralph Nader.

Many supported Proposition 103 through a process of elimination. It was the only one of the four insurance initiatives not supported by those most often blamed for high premiums—insurance companies and trial lawyers. Apparently, most supporters favored Proposition 103 for symbolic, not practical, reasons. Three months after the election, a Field Poll indicated that 62 percent of California voters thought that passage of Proposition 103 was a "good thing" against 20 percent who thought it was a "bad thing." Yet 38 percent said they did not expect rates to change as a result of the initiative, while 23 percent thought rates would continue to go up.

What Proposition 103 means

Proposition 103 covers a broad range of property and casualty insurance, although it was widely perceived by the general public as an auto-insurance measure. In addition to mandating a 20-percent rollback of premiums, the initiative institutes rate regulation; subjects insurers to state antitrust law; repeals anti-rebate laws for insurance agents; turns the office of insurance commissioner into an elected post; and limits the "rating variables" (such as sex and zip code) that can be used in pricing individual policies. Several of these changes were drastically altered by California's Supreme Court, and those that remain intact will have, at best, a mixed impact on insurance rates.

The aftershocks of the measure are unlikely to shake the foundations of the insurance industry either as quickly or as effectively

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as the self-proclaimed reformers boast. The measure has become bogged down in administrative hearings and litigation. But blaming the usual suspects—lawyers and bureaucrats—perpetuates fundamental misconceptions about the effects of the initiative. The first misconception is that Proposition 103 ever held the potential to roll back auto-insurance rates by 20 percent. Given the constitutional protection against "taking" property, this outcome was never a serious possibility. Another misconception is that auto insurers were making huge profits in California. To the contrary, many were actually losing money on auto insurance (although it should be noted that some were making substantial profits on homeowners' insurance).

The principal selling point of Proposition 103 was the rollback provision requiring companies to lower their rates to 20 percent below November 1987 levels, unless they could demonstrate an "imminent danger" of bankruptcy. No justification was offered for the 20-percent figure beyond the vague allegation that insurers were charging "too much." But the proponents knew, and nationwide polling confirms, that most people think insurers are profitable enough to absorb the costs of such an edict. Ironically, however, auto rates may well increase because of the so-called rollback provision in Proposition 103.

These perverse consequences would never have been predicted from the rosy reports following the California Supreme Court's unanimous 1989 decision to uphold Proposition 103. Soon after that ruling, the insurance commissioner announced hundreds of "voluntary rollbacks" and ordered seven major insurers to refund $305.3 million. But there is less here than meets the eye. For starters, the court did not really uphold the initiative. Following the precedents of public-utility regulation, the court refused to sustain arbitrary rollbacks. Instead, its deft opinion "upholding" Proposition 103 predicated any rollbacks (or future rate decisions) on the guarantee of a "fair rate of return." This constitutionally based standard leaves much to the interpretation of complex and contested financial data. But even allowing for a wide range of interpretation, most California auto insurers are not making the "minimum" profit supposedly guaranteed by the state constitution.

After extensive hearings, Commissioner Gillespie ruled that a "reasonable rate of return" for the purpose of the rollback provision would be 11.2 percent. The commissioner's decision derived from

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the nationwide average rate of return for property and casualty companies over the last fifteen years. She indicated that a range of 11.2 to 19 percent, depending on the type of insurance, would be appropriate for evaluating future rates. To the surprise of many, even Ralph Nader has endorsed a range of 12 to 15 percent. However, the newly elected insurance commissioner, John Garamendi, has reopened the issue by vowing to squeeze profit margins through the regulation of such costs as company overhead.

But auto insurance is hardly profitable enough for anyone to start worrying about overhead. Between 1978 and 1987, the profit margin of the auto-insurance industry nationwide was a paltry 3.2 percent. The situation was much worse in California, where auto insurers showed an overall loss of 7.5 percent on equity in 1987. Many of these companies stayed in business by subsidizing their automobile insurance through profits earned on homeowners' insurance, where the statewide rate of return was 29.2 percent in 1987. Others, including 180 companies described by the Department of Insurance as "small and unprofitable," were quickly granted exemptions from the rollback. The department's figures indicate that three of the state's largest auto insurers, representing almost 40 percent of the market, will not be subject to the rollback either because of their slim profit margins. Four of the top ten auto insurers have been ordered to reduce rates, but none by as much as 20 percent, and only one by more than 4.3 percent.

The "voluntary rollbacks" announced in the summer of 1989 were almost entirely in commercial lines. Of the 834 lines whose rates were rolled back voluntarily by property and casualty insurers, only twenty-three involved personal auto insurance. Of course, the market for commercial insurance is much different from the personal-auto market. The commercial insurance market is intensely competitive, most of its buyers are professionals, and prices fluctuate significantly over time. By contrast, premiums for personal lines are not volatile, and most individuals are ill-equipped to compare rates. Commercial prices are also more sensitive to interest rates, which largely determine the profitability of policies such as medical malpractice and commercial general liability, where claims often take years to settle. Accordingly, the assumption behind the rollback provision—that rates were higher in 1988 than in 1987—was invalid for commercial lines. Many

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1988 rates were already more than 20 percent lower than in 1987. Hence the "voluntary rollbacks."

The rollbacks in non-commercial (or personal) lines were almost entirely in homeowners' insurance. This was not readily apparent because Commissioner Gillespie decided to apply the rollback provision on the basis of a company's overall rate of return, not by reference to the profitability of specific lines of business. This avoided the cumbersome task of evaluating the profitability of virtually thousands of lines of insurance. But industry data indicate that homeowners will account for the lion's share of any refunds. Over 60 percent of the reductions envisioned by the $305-million rollback order would come from the homeowners' side of firms that also write auto insurance. Since homeowners' policies subsidize auto policies in many companies, reducing the return on the former will increase pressure to raise the latter.

The perversity of rate regulation

Upward pressure on auto rates will also arise from the "prior approval" system of rate regulation that Proposition 103 reinstated in California. The system requires insurers to file any proposed changes in rates with the state commissioner. As in most states with rate regulation, the guiding rule is that rates shall not be "excessive, inadequate, or unfairly discriminatory." Under Proposition 103, proposed rate increases will take effect automatically if there is no action to the contrary within sixty days. But the commissioner is required to hold hearings if either the proposed increase exceeds 7 percent for personal lines (15 percent for commercial lines) or if anyone requests a hearing. Joining the political fray, California's Attorney General immediately requested hearings on hundreds of cases that Commissioner Gillespie wanted to decide generically.

The benefits of prior approval are dubious since regulators cannot alter the laws of economics. They must justify proposed rates in light of company costs and allowable profits, and the process of rate regulation is often costly and imprecise. No matter how intent regulators may be on lowering the price of insurance, they cannot force companies to sell at an inadequate price. What regulation is trying to accomplish could probably be done by the market without the red tape and delay. Competition alone can help weed out inefficient companies and keep a downward pressure on prices. Many

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states with prior-approval systems realized decades ago that competition, not rate regulation, produces the lowest prices. A few enlightened states, led by California, switched to "open rating" (or plain old competition).

Returning California to a prior-approval system will only make matters worse. Beyond the considerable cost of preparing and processing thousands of applications annually, prior approval might even have the ironic effect of raising the price of insurance. In the deregulated environment that predated Proposition 103, most auto insurers operated on a slim, and often cross-subsidized, profit margin. With state-approved rates comes a state-constitution guarantee of a "fair rate of return." Since future rates will be evaluated line-by-line, without cross-subsidies, auto insurance will have to stand on its own. Given the figures proposed for determining a "fair rate of return," most auto insurers could actually raise rates.

The crowning irony is that the passage of Proposition 103 itself is a convincing reason for applying a higher rate of return. In ruling that a range of 11.2 to 19 percent should be used in assessing future rates requests—instead of simply applying the 11.2-percent figure used in evaluating possible rollbacks—Commissioner Gillespie explicitly recognized the problem of attracting capital, especially to certain lines of insurance. Actions such as Proposition 103, which essentially seek to commandeer company profits, increase what insurers call the "political risk" of doing business. As with investments in countries with unstable regimes or significant risks of nationalizing industry, higher rates of return are necessary to attract capital under these conditions. The "political risk" of a future Proposition 103 understandably scares investors and—unwittingly—justifies a higher rate of return for auto insurance.

The experience in other states suggests that prior approval might decrease some highly visible rates, while increasing others indirectly. If regulation keeps certain rates below those that the market considers necessary to operate—a scenario most likely for auto insurance, where political pressures are the greatest—then insurers will respond by being more selective about whom they insure. They will be less willing, in other words, to insure those who are likely to cost the most. This means more "uninsurable" drivers. In states like Massachusetts, over half of all drivers are in the assigned-risk pool. These drivers obtain insurance on terms subsidized by private insurers and their policyholders. Companies

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are usually assessed for the losses incurred by the state's assigned-risk pool. Undoubtedly, these costs are passed on to consumers. But the method is obscure and hence the subsidy is shielded from public view—at least as long as losses aren't too large. New Jersey's Joint Underwriting Association chalked up $3 billion in losses before the legislature recently dismantled it. An argument then ensued over who would pay these losses—insurance companies or the state. Either way, of course, the subsidy will be paid largely by insured drivers.

Anatomy of a measure

The remaining provisions in Proposition 103 do little to reduce the price of insurance. Several minor provisions seem sensible enough. The repeal of anti-rebate laws might encourage competition among insurance agents, who were otherwise prohibited from price competition in the form of premium rebates. Nevertheless, travel agents and real estate agents manage to maintain strikingly similar commissions without laws prohibiting competition. Another provision—allowing banks to enter the insurance market—might also increase competition. But given the marginal profitability of personal-insurance lines, it is unlikely that many banks will plunge into the market. Only two have applied for licenses since this provision was upheld by the California Supreme Court.

A few other provisions—including, of course, the rollback provision—appear to be largely symbolic. Applying state antitrust laws to insurance companies is the most prominent example. Insurance companies have long been subject to federal prohibitions against "price-fixing, boycotts, or coercion." (The federal law, however, does permit some forms of collective action—sharing information on losses, for example, or standardizing the terms of coverage—that promote competition.) All that the initiative does is provide the state with the authority to police practices already illegal under federal law.

A second provision of questionable effectiveness is the "good-driver discount." Beyond the rollback provision and the rate-regulation requirements, Proposition 103 demands an additional 20-percent discount for "good drivers." This discount could apply to an incredible 70 percent of California drivers; even those with a "minor" drunk-driving offense in the past three years would qualify

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under the official definition. The fallacy of this provision is twofold. First, insurers already have a strong incentive to compete for good drivers: many offer discounts to attract these drivers and also mete out punishment, in the form of higher rates or nonrenewals, to those with bad driving records. Second, costs cannot easily be shifted to "bad" drivers. These drivers generally face the highest rates already, if they can get insurance at all. The cost of hiking the rates for "bad" drivers while lowering them for everyone else will be split between higher surcharges for the assigned-risk pool and higher premiums for uninsured-motorist coverage.

Proposition 103 also changes the method of selecting the insurance commissioner, from appointment to election. This is a mixed blessing. On the one hand, an elected commissioner might be more concerned about consumer complaints than a commissioner indebted primarily to the governor. On the other hand, few voters understand the complexities of insurance, and electoral politics might well reward the candidate who makes the most irresponsible claims. In all likelihood, there would be little difference in rates either way.

Individuals, groups, and geography

One of the most serious restrictions mandated by Proposition 103 limits the use of "rating factors" by insurance companies. How the burden of auto insurance is divided among drivers depends on what rating factors are used to classify individuals. Proposition 103 requires insurers to rely primarily on individual factors (such as driving record, years of driving experience, and annual miles driven) and to minimize the use of group classifications such as age, sex, and zip code. This shifts the burden of paying but does not reduce the overall cost of insuring. This zero-sum game is the hidden story behind Proposition 103: a few heavily urbanized counties approved the measure over the objection of fifty of California's fifty-eight counties. The biggest beneficiaries of this new policy, if it is ultimately implemented, will be teenage male drivers living in central Los Angeles.

The predictive power of individual factors, despite their intuitive appeal, is surprisingly limited. The large number of auto accidents provides sufficient data to draw useful *group* distinctions, but on an individual basis auto accidents are still quite rare. The average driver has just one accident every ten years. Therefore, it is possi-

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ble to predict with great accuracy the loss experience of, say, a group of young men, but it is virtually impossible to predict any one man's potential losses based primarily on individual data.

Mandating less reliance on group factors will flatten out the difference in rates charged. This may seem just to males with good driving records, who can no longer be charged for being part of an otherwise high-risk group. But it will probably seem equally unjust to those in low-risk groups (such as women) who cannot justify with individual factors the predictably lower experience of their group. When Michigan enacted unisex rating in 1981, single men saw their rates fall by an average of 15.1 percent, while rates for single women increased by 20.9 percent. Similarly, a study by the Alliance of American Insurers concluded that if age were eliminated from the classification process, adults would pay 8 to 27 percent more, while the youngest drivers would pay 15 to 59 percent less. Whether such developments are desirable is a social, not an actuarial, question. Gender-based classifications are as offensive to some people as those—now illegal—based on race.

Geography is an important factor, too. The risks involved in driving vary greatly by location. Losses are greatest in urban areas, where the density of vehicles, the incidence of theft, and the cost of repairs are all higher. One study indicates that the frequency of liability claims and the number of claims involving uninsured motorists in Los Angeles is 96 to 111 percent higher than the state average. Not surprisingly, rates are also higher. Insurers publicized these territorial differences in their campaign against Proposition 103. They sent mass mailings depicting how much premiums would go up—in virtually all counties except the most highly urbanized—in the absence of territorial rating. Voters, especially those who stood to benefit, understood the implications. The clearest, but least publicized, trend in the vote on Proposition 103 was the strong correlation between support for the measure and likely benefits from the absence of territorial rating. Essentially, drivers around Los Angeles voted themselves a rate reduction at the expense of the rest of the state.

The distributional effects of Proposition 103 are so stark that neither the state nor insurers want to implement them. According to the California Department of Insurance, eliminating territorial rating would decrease rates by 21 percent in Los Angeles, by 8 percent in surrounding Orange County, and by 1 percent in San Fran-

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cisco, while increasing rates in all fifty-five remaining counties. Commissioner Gillespie attempted to sidestep this political minefield by eliminating the zip-code rating and declaring that premiums could not be raised in suburban and rural counties by more than 4.5 percent—a figure based on the Consumer Price Index. This "solution," which defies the economic reality of zero-sum games, will undoubtedly run up against the same constitutional problems as the arbitrary 20-percent rollback.

Although requiring an emphasis on individual factors, Proposition 103 allows for the use of group variables that reflect the underlying reasons for differences in losses by territory. These measures include vehicle density, repairs costs, accident frequency, and litigation rates. This should mitigate some of the enormous subsidy from rural to urban drivers that would otherwise occur. But it will come at the price of higher insurance for everyone, since the costs of ascertaining rates will be higher.

The debate over insurance classification schemes is largely a debate over the role of insurance in society. Allowing market forces to determine rates means that insurers will draw distinctions whenever the value of increased accuracy exceeds the cost of achieving it. This offends those favoring social-insurance principles, who prefer flatter rates and, ultimately, state-run insurance. That is why the approval of Proposition 103, despite the mitigating decision of the California Supreme Court, worries insurance companies more than any earthquake.

Learning from California's mistakes

There is a clear need to ease the burden of high auto-insurance rates. Premiums grew at a rate roughly 2.5 times faster than inflation between 1983 and 1987. Insurance payments now exceed car payments for some urban dwellers. Although the passage of Proposition 103 does not presage a political revolution, it does signal a shift in the politics of auto insurance. The issue has materialized on the political agenda, leaving voters and politicians willing to support almost any proposal promising to lower rates, no matter how ill-conceived. (The exception, of course, is no-fault insurance, which many voters distrust because of the support it receives from the insurance industry.) Proposition 103 was too good to be true, but it was also quite hard to resist. "Reforms" being considered elsewhere will also be disappointing unless other states learn from

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California's mistakes. Three lessons for the future can be gleaned from the Proposition 103 fiasco.

The first lesson is that rollbacks do not work. Few if any California policyholders will receive rebates on their auto insurance as a result of the rollback provision in Proposition 103. The simple reason is that auto insurance is neither a cyclical business—like commercial insurance—nor a very profitable one.

Competition has greater potential to lower rates than regulation. If there are efficiencies to be exploited, the market will accomplish the task if there is meaningful price competition. Several public-policy choices could encourage this process, including disseminating information; facilitating comparative shopping; enforcing antitrust laws; and prohibiting insurers from tying arrangements and joint pricing decisions. But rate regulation, whether in the form of "prior approval" or "file and use," will do nothing to bring down overall prices.

The second lesson is that only *comprehensive* efforts to control costs will lower rates significantly. The case of rising auto-insurance premiums is not a simple phenomenon with simple causes. The hard truth is that auto insurance is expensive throughout the country for several good reasons: the high price of cars and repairs; the inefficiencies of the legal system; fraud; the escalating cost of medical services; and the incredible number of automobile accidents (approximately 17,500 a day). Most of the problems with initiatives such as Proposition 103 come from a failure to confront the basic tradeoffs involved in setting auto-insurance rates. Of course people want to cut premiums—they just don't want to cut benefits at the same time. Witness the crushing defeat of Proposition 104, which would have given California a strong no-fault law, and Proposition 106, which would have limited lawyers' contingency fees.

Many commentators continue to advocate the adoption of no-fault laws, but much depends on implementation. Strong no-fault plans place a strict limit on the right of victims to sue for intangible damages, usually lumped together under the term "pain and suffering." New York and Michigan, for example, only allow suits for non-economic damages in cases of "severe injury or death." Other states have made the mistake of going only half-way, instituting weak no-fault laws that offer little or no advantage over the traditional liability system, and that lead to higher premiums. Con-

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necticut, for example, sets its medical threshold at a grossly inadequate $400, which means that lawsuits are permitted in virtually all cases.

The difference between strong and weak no-fault systems is impressive. Strong no-fault states such as New York, Michigan, and Florida experienced cumulative rate increases in 1987 and 1988 of 7 percent, 5 percent, and 7.7 percent, respectively. These figures offer a striking contrast to states with traditional liability rules such as California, Pennsylvania, and Texas, whose drivers saw cumulative rate increases of 21 percent, 26.5 percent, and 14.1 percent during the same period. Yet even a strong no-fault system is not a panacea. Lowering rates by 20 percent, the most optimistic claim of no-fault proponents, will leave many drivers unhappy. In California, a 20-percent reduction in premiums would still leave rates above the national average. To the family in Los Angeles paying $4,000 for insurance on two cars, a reduction to $3,200 would probably be a small and temporary comfort. In Michigan, where strong no-fault was implemented in 1973, there is still much support for Proposition 103-style "reforms."

The preoccupation of insurance companies with no-fault proposals indicates a larger problem. Various interest groups offer discrete reforms, but none are sufficient to make a significant difference. Insurance companies favor no-fault, trial lawyers tout methods of improving competition among insurers, and some consumer groups advocate safety measures. These diverse proposals each hold the potential to decrease insurance prices a few percentage points, possibly more. But none by itself offers the hope of significant change.

The third lesson is that the major goals of insurance regulation conflict with each other. Virtually all states mandate that insurance rates shall not be "excessive, inadequate, or discriminatory." These magic words encapsulate the three basic goals of insurance regulation: to make insurance affordable, to keep insurance companies solvent, and to promote fairness in pricing. Unfortunately, these goals are not entirely consistent. The implementation of Proposition 103 has heightened the conflict between rate relief and distributional fairness. Almost forgotten in that political squabble has been the equally troubling conflict between rate relief and company stability.

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Proposals aimed at flattening the differences in rates do not bode well for the kind of coalition-building necessary to enact reforms to reduce overall auto-insurance rates. To be sure, zip-code rating produces unpalatable results at times, with people who are literally neighbors paying significantly different rates. Perhaps the best way to avoid the morass of distributional politics is to use larger territories, such as cities or counties. This would flatten rates within urban areas, while avoiding cross-subsidies from rural and suburban areas where losses are significantly different.

Lost in the rate-lowering fever surrounding Proposition 103 has been any recognition of the original role of insurance regulation: to prevent insolvencies. Though competition has numerous benefits for those who buy insurance, regulators must also pay attention to companies that charge such low rates that they risk going out of business. (Self-styled consumer advocates, of course, refuse to recognize this kind of overly competitive behavior). If the rates that competition creates sometimes seem too high, then, they can also be too low, which should give pause to anyone proposing rate relief through government action.

Proposition 103 helped to place auto insurance on the political agenda. Legislatures around the country are now scrambling to develop meaningful reforms. But the aftermath of Proposition 103 suggests that rate regulation is not the right way to lower insurance premiums. The price of auto insurance is determined primarily by the number of accidents and their high cost. Future efforts, both public and private, should be aimed at lowering these costs, whether with safer cars, less expensive medical care, or simply better driving. Lower premiums will surely follow.

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Albert Hirschman's Rhetoric of Recrimination

JERRY Z. MULLER

***Albert O. Hirschman*: The Rhetoric of Reaction.** *Harvard University Press. 197 pp. $25.00 cloth, $10.95 paper.*

FOR THOSE INTERESTED in the links between policy analysis and the history of ideas, a new book by Albert Hirschman is a cause for anticipation and high expectations. Hirschman's eventful first six decades included activism in the German socialist youth movement, volunteer service in the Spanish republican army, underground resistance activity in Nazi-occupied France, a stint in the American army, work on the Federal Reserve Board related to the Marshall Plan, four years in Colombia as an advisor to the National Planning Council, and a distinguished academic career as a maverick developmental economist at Yale and Harvard. His 1970 book, *Exit, Voice, and Loyalty: Responses to Decline in Firms, Organizations, and States*, marked his turn toward political theory; it attracted a wide audience and has served as a seminal source for social scientists in several disciplines. In 1974 Hirschman became a permanent member of the School of Social Science at Princeton's Institute for Advanced Study, where he is now professor emeritus. In the last fifteen years Hirschman has produced a remarkable series of works of intellectual history which explore past policy debates and their contemporary resonances. By demonstrating that the study of policy debates in the past can illuminate policy analysis and political debate in the present, he has resurrected one of the oldest justifications for the study of intellectual history.

In a 1977 work, *The Passions and the Interests: Political Arguments for Capitalism Before its Triumph*, Hirschman showed that the "repression" or "alienation" of the human personality denounced by modern critics of capitalism was precisely the goal of capitalism's early advocates, who saw an interest-governed world as an antidote to the dangers posed by the lust for power of ambitious men. "Both critics and defenders of capitalism," he concluded, "could improve upon their arguments through knowledge of the episode in intellectual history that has been recounted here. This is probably all one can ask of history, and of the history of

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ideas in particular: not to resolve issues, but to raise the level of debate."

A subsequent study—first published in 1982 and then as the eponymous chapter of *Rival Views of Market Society and Other Recent Essays* in 1986—was perhaps even more significant in linking the history of ideas to contemporary political debate. Hirschman traced the recurrence over the last two centuries of conflicting claims about the social, cultural, and political effects of capitalism. Its advocates have claimed that the spread of market activity would enhance social peace by making men more gentle and peaceful, and that interest-oriented behavior would create social solidarity. Its denigrators have argued that capitalism undermines the moral foundations on which any society must rest, which ironically are the preconditions for the survival of a capitalist society. Hirschman concluded wisely that the rival views may both be correct, depending upon the time and place, and that even in the same time and place contradictory processes may be at work. At its best, as in these books and essays, Hirschman's scholarship combines erudition in several disciplines and languages with logical rigor and policy experience—all spiced with the author's wit and nonpartisan irony, as in his evident pleasure in showing that adherents of opposing ideologies often arrive at similar analyses without taking notice of one another.

HAVING PROFITED much from Hirschman's past work, I awaited with great anticipation his most recent book on conservative thought, *The Rhetoric of Reaction: Perversity, Futility, Jeopardy*. (Indeed, my own research had led me to correspond with Hirschman, and the attentive reader will find my modest contribution to the enterprise generously noted in Hirschman's acknowledgements.) My hopes were raised even higher by the admirable aims set out by Hirschman. His purpose, he tells us at the outset, is to alleviate "the systematic lack of communication between groups of citizens, such as liberals and conservatives, progressives and reactionaries." The book concludes with the author's hope that he has contributed to democratic deliberation, in which the participants "are expected to engage in meaningful discussion, which means that they should be ready to modify initially held opinions in the light of arguments of other participants and also as a result of new information which becomes available in the course of the debate." Such sentiments are all the more welcome at a time when the hegemony of the "politically correct" serves as a brake on the exchange of ideas in so much of the academy.

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Perhaps my expectations ought to have been lowered by Hirschman's admission in the preface that the impetus for his book came from the utter puzzlement of liberals like himself at "the ascendant and triumphant conservative and neoconservative movement," which led him to ask "How did they get to be that way?" The obvious solution would seem to be to ask them. Far from belonging to another species with which communication is impossible, conservatives—both neo- and unprefixed—are generally quite capable of conveying their own answers to such questions. Indeed, since all neoconservatives (by definition) and not a few conservatives were once liberals or progressives themselves, the literature explaining the shift in their views is massive. Still, Hirschman's assurance that he would eschew psychologistic explanations, which "would widen the rift and lead, moreover, to an undue fascination with a demonized adversary," seemed a good omen. Recognizing the negative connotations of the term "reactionary," Hirschman apologizes in advance for using it as a virtual synonym for conservative, since he "d[oes] not mean to write in a vituperative mode."

Ostensibly then, Hirschman's book is at the other end of the ideological and methodological spectrum from Paul Johnson's *Intellectuals*. Johnson's book is an attack upon progressive intellectuals, and his primary mode of explanation is psychological reductionism. Though Johnson can be very acute in analyzing the pivotal intellectual errors of his subjects, the dominant message of his book is that progressive intellectuals produce bad ideas because they are bad people. Whatever its faults, Johnson's book at least has the advantage of being rather straightforward about its method. Despite his avowed intentions, Hirschman ends up making a comparable argument more circuitously; he simply reverses the ideological heroes and villains.

THE GOAL OF the book, Hirschman writes, is "to delineate formal types of arguments or rhetoric" used repeatedly "by those who set out to debunk and overturn 'progressive' policies and movements of ideas." His strategy is to search for recurrent forms of argumentation in "reactionary" responses to three key events in modern Western history: opposition to the French Revolution, which in his view derived from a rejection of the ideals of civic equality; skepticism about universal male suffrage in late nineteenth-century Europe; and the "contemporary attack on the welfare state," which Hirschman tries to put into perspective by

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evoking earlier debates regarding public assistance to the poor in eighteenth- and nineteenth-century England.

Hirschman discovers three recurrent arguments that purportedly characterize conservative responses to these progressive reforms. The *perversity* thesis maintains that "any purposive action to improve some feature of the political, social, or economic order only serves to exacerbate the condition one wishes to remedy"; stated another way, "the attempt to push society in a certain direction will result in its moving all right, but in the opposite direction." The *futility* thesis holds that attempts at social transformation "will be largely surface, facade, cosmetic, hence illusory." The *jeopardy* thesis argues that "the cost of the proposed change or reform is too high as it endangers some previous, precious accomplishment."

The distinction between the three theses, while conceptually illuminating at first glance, turns out to be less useful when applied to real-world debate. The perversity argument—that some reform measures actually make situations worse—in fact almost always hinges upon the jeopardy thesis, which holds that the gains produced by the reform will be counterbalanced by the loss of existing advantages. The argument that intended gains are more than offset by unanticipated losses is hardly a reactionary ploy. Instead it is a version of one of the most basic and universal theorems of social science. Consider Robert Merton's formulation:

> Owing to the systemic interdependence among the parts of a social structure, efforts to do away with one social problem will often introduce other (either more or less damaging) problems. Sociologists have long noted this tendency.... But it does not follow that public policy cannot result in the progressive curbing of particular social problems and be the better prepared to cope with the new ones coming along.

All three of Hirschman's theses are variants of what Merton (in a 1936 article cited by Hirschman) called "the unanticipated consequences of purposive social action." As Merton suggested, this is perhaps the key theme of modern social science. Hirschman himself acknowledges that at times all three theses have been correct. The valid lesson that emerges from Hirschman's discussion of the three recurrent theses is that conservatives have a propensity to focus upon the *negative* unanticipated consequences of intentional action, while underestimating the positive. This proposition is obvious enough to rank as a truism. In a brief later chapter devoted to progressive rhetoric, Hirschman points out that progressives have vices of their own that are the converse of conservative vices: they tend to ignore or underrate the unanticipated negative consequences of social action while exaggerating the dangers of inaction. In other words, conservatives

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tend to be—*conservative*. Liberals instead have "a bias for hope" (the title of an earlier collection of Hirschman's essays). The elements of Hirschman's analysis that are the most true are the least novel; they are old ideas dressed in new clothes.

SINCE SOCIAL SCIENCE represents the organized attempt to increase our capacity to anticipate the consequences of social action, one might assume that it behooves social scientists of conservative or progressive propensities to compensate for their own biases by paying careful attention to the arguments and evidence of those of the opposite disposition. Regrettably, Hirschman fails to do this. Among the most disturbing features of his book is the gap between his presentations of the arguments offered by "reactionary" authors and their actual claims.

In discussing the argument that the welfare state is a threat to liberty and democracy, Hirschman turns to Friedrich Hayek's *The Road to Serfdom*. "Today's neoconservatives would be shocked on rereading it," Hirschman surmises, "for Hayek goes surprisingly far in endorsing what was later to be called the Welfare State. He comes out in favor of 'the certainty of a given minimum of sustenance for all,' that is for 'some minimum of food, shelter, and clothing sufficient to preserve health and the capacity to work,' as well as for state-assisted insurance against sickness, accident, and natural disaster." Hirschman claims that "Hayek himself went over to an explicit attack on the Welfare State ... with his next major publication, *The Constitution of Liberty*."

In *The Constitution of Liberty* and elsewhere Hayek does indeed claim that the welfare state can endanger liberty and democracy, not to speak of economic growth. But the portion of the book cited by Hirschman, entitled "Freedom in the Welfare State," is neither a retreat from the position enunciated in *The Road to Serfdom* nor an attack on the welfare state; instead it is an examination of how social security (in the broad sense) can be provided in a manner that does as little damage as possible to individual freedom and social innovation. "There is little reason," Hayek wrote, "why the government should not ... play some role, or even take the initiative, in such areas as social insurance and education." Hayek objected only to what he regarded as the abuse of the welfare state to pursue traditional socialist goals of equality of income. Thus he criticized "not so much the aims as the methods of government action." Specifically, Hayek was suspicious of government monopolization of the provision of social, medical, or educational services. Neoconservatives would hardly be shocked by his view,

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since many of them have adopted it. Some of the most promising recent social-policy innovations—such as the introduction of school vouchers—attempt to end such monopolization. These proposals have long been championed by Hayek, Milton Friedman, and others classified by Hirschman as "reactionaries."

AS HIRSCHMAN recognizes in the closing pages of his book, many of the reactionary arguments he dissects are "limiting cases, badly in need, under most circumstances, of being qualified, mitigated, or otherwise amended." Yet his earlier presentation makes it appear as if the perversity thesis in its radical form is typical of conservative argument. In fact, its extreme form is actually rejected by most of the few intellectuals Hirschman cites in support of his claim.

Take what Hirschman terms the "extravagantly general formulation" of Herbert Spencer, who wrote in 1884 that "uninstructed legislators have in past times continually increased human suffering in their endeavours to mitigate it." Hirschman is quite right to cite this essay, "The Sins of Legislators," as a prime example of the perversity argument. Yet even Spencer's essay does not make the perversity argument in the radical form offered by Hirschman: it is a plea for legislators to be "instructed" in the pitfalls of unanticipated consequences by taking into account past failures of legislative attempts at social improvement, and by familiarizing themselves with social science.

Sometimes a statement that is plausible in its original form is restated by Hirschman in a manner that makes it seem outlandish. Consider his summary of and comments upon Nathan Glazer's 1971 *Commentary* article, "The Limits of Social Policy":

> The article starts ominously, "There is a general sense that we face a crisis in social policy," and wastes little time before proclaiming, in quite general terms, "Our efforts to deal with distress themselves increase distress." .... Welfare-state policies, [Glazer] argued, are meant to deal with distress that used to be taken care of by traditional structures such as the family, the church, or the local community. As these structures break down, the state comes in to take over their functions. In the process the state causes further weakening of what remains of the traditional structures. Hence there arises a greater need for public assistance than was anticipated and the situation gets worse rather than better.
>
> ....One wonders whether there is really no way in which the two sources of assistance can ever be made to coexist and perhaps to complement each other.

Readers who turn from Hirschman's summary to Glazer's article will find that Glazer qualified the perversity and jeopardy

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theses; he presented them not as invariant arguments against reforms, but as reflections on recent experience. "I do not mean to suggest any automatic law," Glazer wrote, "I do suggest processes." Later he wrote, "I believe that social policy has ameliorated the problems we have inherited but that it has also given rise to other problems no less grave in their effect on human happiness than those which have been successfully modified." Hirschman's suggestion that state assistance may be offered in such a manner as to buttress traditional structures makes it seem as though such a possibility had never occurred to Glazer. In fact, Glazer's article counseled "hesitation in the development of social policies that sanction the abandonment of traditional practices."

HIRSCHMAN'S DISCUSSION of the work of George Stigler is still more misleading. As his major piece of evidence for the application of the futility thesis to recent debates over the welfare state, Hirschman turns to a 1970 article by Stigler entitled "Director's Law of Public Income Redistribution" (a law named for Stigler's colleague Aaron Director, who suggested the idea to him). Hirschman uses the article as an instance of the conservative claim that welfare-state transfer payments do not actually reach the poor, so that such attempts at income redistribution are "futile." Hirschman begins by noting the inherent implausibility of this thesis: first, it contradicts conservative claims about the perverse effect of the welfare state; second, the fact that recipients of key welfare programs such as AFDC must pass means tests makes a diversion of funds to other income groups implausible. Nevertheless, writes Hirschman, "The futility thesis, in the shape of the just-noted diversion argument, has on occasion been put forward as a general critique of the Welfare State." Here is Hirschman's summary of the evidence:

> According to Stigler, Director held that 'public expenditures are made for the primary benefit of the middle classes, and financed with taxes which are borne in considerable part by the poor and rich.' Early in his article, however, Stigler disregards the role of the rich and argues primarily that public expenditures for such purposes as education, housing, and social security represent, if considered in conjunction with the taxes that finance them, state-mandated income transfers from the poor to the middle class. How can such a state of affairs come about in a democracy? Stigler's explanation is simple. The middle class first maneuvers the voting system so as to reduce turnout of the poor by means of literacy and registration requirements and the like; once in control of political power, it molds the fiscal system so as to suit its corporate interests....

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Stigler's argument, Hirschman tells us, reflects the views of "certain pillars of the 'free-enterprise' system," whose "hatred" is directed against attempts at reforming unjust features of capitalism through government programs; the right subjects these programs to "criticism and mockery because any intervention of the state, particularly any increase in public expenditures for purposes other than law, order, and perhaps defense, is considered as noxious or futile interference with a system that is supposed to be self-equilibrating." Having accused Stigler and his ilk of sophistry, ignoring the obvious, and hatred of reform, Hirschman returns repeatedly for further attacks. We are reminded, for example, that "Stigler chose ... to proclaim a natural-law-like regularity that rules the socioeconomic realm and invariably crushes attempts at income distribution...." So much for what Hirschman says that Stigler said. Let us turn to what Stigler actually said.

Stigler claimed not to demonstrate but "to defend the plausibility of Director's Law." Stigler's brief and compressed argument proceeded as follows. He listed a variety of contemporary government programs that disproportionately benefit the middle class (broadly and vaguely conceived) at the expense of the poor, such as farm subsidies, social security, and the tax exemptions enjoyed by churches and educational and medical institutions. Turning to the topic of "welfare expenditures," however, he claimed that "[t]he great modern programs presumably involve net transfers to the poor and are therefore apparently contradictory to Director's Law."

Stigler explained the rise of these programs in terms of the changing basis of government taxation and expenditure. In the nineteenth century, Stigler argued, most federal funds came from customs and excise taxes, while state and local taxes derived from property taxes. All of these taxes were tied only loosely to income. Poorly equipped to tax on the basis of income, the government was also poorly equipped to redistribute income to selected income classes; most of the services—above all protective functions—that it provided were of special value to the upper and middle classes, which had the most property to protect. But in the course of the twentieth century, Stigler suggested, the state developed the ability to acquire its revenue through new forms of taxation that can be more closely keyed to income (income taxes and a wider range of excise taxes), and to distribute its revenue to particular income classes through direct transfer payments. In the past, the political participation of the poorer classes was diminished by literacy requirements, poll taxes, and residence requirements; the poor then also had less incentive to vote on a class basis, since the state lacked mechanisms to transfer income directly to the poor. For

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these reasons the upper and middle classes once benefited disproportionately from state action; they were able to make their political influence felt more easily, and had more of an incentive to participate in the political process. In the present, by contrast,

> the increase in the flexibility of taxes and expenditure programs works toward a larger role for government, and toward programs which redistribute income increasingly toward lower income classes. As the amount that can be collected from upper income classes increases, the potential rewards from redistribution rise for the lower income classes [which therefore have more of an incentive to participate]. In the long run the middle classes may have been beneficiaries of this process because they were in coalition with the rich in the nineteenth century, and are entering into coalition with the poor today.

What is significant here is not whether Stigler's conjectural claims are historically correct, but the fact that his claims are the opposite of those attributed to him by Hirschman. Far from launching a general critique of the futility of the welfare state as an agency for transferring income to the poor, Stigler sought to show how the changing technical modalities of taxation made such an agency possible in the first place, and that its growth can be attributed to a coalition between the middle classes and the poor, both of whom benefited financially from the welfare state—the former through a variety of subsidies, the latter through "welfare programs" that redistribute income directly to them. It turns out that the sophistic, injustice-loving exemplar chosen by Hirschman did not criticize the welfare state or even suggest that attempts at redistribution through the welfare state were futile; instead he assumed that they were successful.

DESPITE HIRSCHMAN'S inaccuracies, he is of course correct in his contention that the perversity, jeopardy, and futility theses have been and continue to be invoked. Indeed, the theses are older and have been invoked more continuously than Hirschman records. But why is this important? Most readers will want to know whether the arguments chronicled were correct, in order to gauge their utility in the future—especially when applied to social-welfare policy, the only contemporary debate addressed in the book. Yet Hirschman informs us that he will not deal with the substance of the various arguments against social-welfare policies; in fact he deals only sporadically with the validity of any of the conservative arguments put forward in the historical debates that he examines. (When he does deal with them, the deck often seems stacked, in that historical instances are chosen in which "reactionary" warnings were not borne out by subsequent events,

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while other instances in which such warnings proved more accurate go unmentioned. The notion that the expansion of the welfare state might threaten liberty and democracy is less plausible in the case of the post-war Western democracies, which Hirschman cites, than in the case, for example, of Argentina, which he does not.) Instead, Hirschman's major riposte against "reactionary" arguments is their very recurrence. "The demonstration of repetition in basic argument," he asserts, ought to establish that reactionary reasoning is frequently faulty.

Of course Hirschman knows that this is a logical fallacy. "The fact that an argument is used repeatedly is no proof, to be sure, that it is wrong in any particular instance.... My point is that, much of the time, the arguments I have identified and reviewed are intellectually suspect on several counts." Hirschman's suspicions about conservative arguments all turn out to be variations on the theme that such arguments serve some irrational and usually disreputable psychological need, which he regards as their major source of attraction. The thrust of the book is that conservatives are victims of their own rhetorical strategies, strategies that reflect the unwholesome psychological propensities of those who adopt them.

Though in his preface Hirschman states that he will eschew psychologistic explanation, his polemical trump becomes his own speculation regarding the irrational attraction of conservative arguments: "The arguments have considerable appeal because they hitch onto powerful myths ... or because they cast a flattering light on their authors and provide a boost for their egos." Thus we learn that conservatives are "irresistibly attracted to deriding those who aspire to change the world for the better." They are "powerfully attracted time and again by the same form of reasoning" because it makes them feel good about themselves, since they believe they see the negative consequences that others fail to anticipate. Moreover, they are "unduly arrogant when they are portraying ordinary humans as groping in the dark, while in contrast they themselves are made to look so remarkably perspicacious."

This last accusation could be invoked against any social scientist who draws attention to unanticipated consequences, positive or negative. Those who invoke the perversity thesis do so because it appeals to "deeply rooted myths." Furthermore, "[i]t also has a certain elementary sophistication and paradoxical quality that carry conviction for those who are in search of instant insights and utter certainties." We are repeatedly reminded that conservatives invoke the jeopardy thesis in order to attack changes that they hesitate to attack directly because of the prevailing state of public opinion: in other words, conservatives are disingenuous. In fact, their argu-

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ments "are in effect contraptions specifically designed to make dialogue and deliberation impossible." Such is Albert Hirschman's progressive case against those who wield the rhetoric of reaction.

Hirschman's liberalism is not the sort that excludes the possibility of enemies to the left; in fact, he is repeatedly critical of arguments from the radical left. Nevertheless, he seems more concerned to ensure that liberals will make no friends to the right. Until now, Hirschman writes, "progressives have remained mired in earnestness. Most of them have been long on moral indignation and short on irony." Now, thanks to his book, they can be long on moral indignation and scornful of their opponents as well. For Hirschman's implicit argument is that conservatives "are that way" because they are driven by powerful and unsavory impulses. In short, his book explains to progressives why they need not deal with conservatives at all, indeed why conservatives should be excluded from serious intellectual debate. As such it translates into an American context a mode of intellectual politics perfected in Germany by Jürgen Habermas. According to Habermas, democratic debate ought to be rational and undistorted; unfortunately, he always seems to find that his opponents are irrational and disingenuous. Hirschman's negative psychological characterization of "reactionaries" reinforces the stigmatization of conservatives, and this in turn makes those who regard themselves as liberals less likely to question viewpoints presented as progressive, for fear of being called conservative, neoconservative, or reactionary.

ALBERT HIRSCHMAN'S intellect is so fine that almost anything written by him is worth reading, and this book too is not devoid of insight. Nevertheless, by his own high standards it must be judged a failure. How did so distinguished a mind come up with so flawed a book? To attribute Hirschman's errors to a lack of sincerity or generosity would contradict much of what we know about him. A more plausible interpretation is that the source of the book's weaknesses is the author's incapacity to control for his own biases. Institutionalized scholarly inquiry is designed to compensate for such biases, by exposing us to the opinions, criticisms, and knowledge of those with different ideological propensities. This is why Robert Merton defined science as "institutionalized skepticism." Unfortunately, there is evidence that in Hirschman's case the mechanisms of bias-compensation have been short-circuited.

This brings us back to the puzzle of why Hirschman did not ask conservatives "how they got that way," or seek the criticism of scholars more attuned to conservative thinkers. Did Hirschman

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not know any conservatives? Did he have no conservative colleagues? Surely an institute of advanced study in the social sciences is not a seminary, whose adherents are bound together by a shared orthodoxy. Of course, Hirschman's permanent colleagues at the School of Social Science—Clifford Geertz, Michael Walzer, and Joan Scott—do not represent an excessively wide political spectrum. What about the possibilities offered by other academic forums to bring critical scrutiny to bear? The author tells us that part of the book, delivered as a Tanner Lecture at the University of Michigan, profited from commissioned critiques by John Diggins, Stephen Holmes, and Charles Tilly—none of whom could be considered ideologically conservative. Another chapter, delivered as a Trilling Seminar at Columbia University, is said to have profited from the incisive comments of Stanley Hoffmann and Stephen Holmes. Taken singly, these colleagues and commentators are formidable intellects. Taken collectively, on the issues addressed by Hirschman's book, they are nearer to a herd of independent minds, always most comfortable when attacking the purported forces of reaction. As a group, they are little disposed to speak well of conservatives, even when—perhaps especially when—they adopt some conservative arguments.

Excessive ideological inbreeding seems unlikely to strengthen the intellectual stock. The most generous and most plausible explanation of the book's weaknesses is that it exemplifies what David Landes has termed "the echo-chamber effect," in which those of a given intellectual propensity have their perceptions about the world consistently reinforced by communicating exclusively with others who share their basic assumptions. While the echo-chamber effect has the benefit of reinforcing one's intellectual self-confidence, it can have the unfortunate cost of causing one to lose touch with the world. As such, it exemplifies a much broader problem in the academy, that of institutionalized ideological isolation, in which opposite and rival voices are not available to compensate for ideological or methodological bias.

Albert Hirschman has spent decades productively transcending national and disciplinary boundaries; it would be a pity if a mind as fruitful and independent as his were to become the latest victim of this self-imposed seclusion.

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Scandal and Cynicism in Post-Watergate Politics

SUZANNE GARMENT

***Larry J. Sabato*: Feeding Frenzy.** *Free Press. 320 pp. $22.95.*

***Alan Ehrenhalt*: The United States of Ambition.** *Random House. 309 pp. $23.00.*

***E.J. Dionne*: Why Americans Hate Politics.** *Simon & Schuster. 430 pp. $22.95.*

IT IS NOW nearly twenty-five years since the Greenwich Village opening of the satirical play *MacBird*, which portrayed then-president Lyndon Johnson as the assassin of John F. Kennedy. It is fifteen years since Jimmy Carter was elected to cleanse the White House of the taint of Richard Nixon. Since these events, we have strenuously pursued the goal of virtue in American politics. We have become increasingly sensitive to issues of ethics, morality, and character. We have taken heroic steps to make the political system more open and honest. The press corps has grown larger and more aggressive. Government itself has joined the investigative party, through devices from the independent counsel to proliferating congressional probes. Conflict-of-interest laws have been tightened. Federal campaign contributions have been limited and subjected to increased disclosure. Politicians are less beholden than ever to corrupt political party machines or congressional seniority systems.

By now we can begin to see what all this self-improvement has done for our politics. It has brought us an era more scandal-filled than any before it in American history. The tone of politics as a whole is nastier today than it was twenty-five years ago, and liberals and conservatives blame each other's interest groups for today's political paralysis and scarcity of leadership. The years of ethical awareness have, in short, not improved our political life.

The above verdict is easy enough to deliver if you are someone who, like this author, never thought much of the post-Watergate reforms even when they were at their most popular. But the jaundiced position is no longer a partisan one. Today, even observers who are not curmudgeonly conservatives have begun to argue that

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the moral revolutions of the Vietnam and Watergate years have left us with a large mess to clean up.

This spring saw the emergence of three significant books that take this view. Their authors are political centrists who have observed American politics at close range. One of the books argues that the modern press poses an increasing threat to our politics by making it personally dangerous for individuals to run for or serve in office, and by giving citizens a wrongly cynical view of their leaders. The second book says that today's political recruitment process is producing a fragmented government in which leadership is virtually impossible to exercise. The last of these books contends that the moralism of American politics since the 1960s has corrupted our very political discourse with false polarizations that prevent us from addressing this country's very real problems. The arguments are strikingly parallel, and the books are replete with persuasive empirical evidence.

THE BOOK ON the press, by University of Virginia professor Larry J. Sabato, is titled *Feeding Frenzy* and includes interviews with a large number of prominent journalists. Some of the characteristics that Sabato ascribes to American political journalism are long-familiar ones: vulnerability to manipulation by sources, a habit of making and perpetuating errors under deadline pressure, willingness to invade privacy, and political bias. Sabato also describes some media characteristics that are newly prominent today. The political press has ballooned in size, and television has become a much more important part of it. Thus there is more competition, and news travels faster and ages more rapidly than ever before. There is more pressure to jump quickly onto a political scandal story in order to avoid being left hopelessly behind. There is also added pressure for a news outlet to distinguish itself by moving a scandal story forward via new facts, allegations, or speculations.

Yet organizational and technological factors are only one part of the transformation. In addition, the political climate has changed. The post-Watergate press is made up in good part of a new generation of journalists, heavily influenced by Woodward and Bernstein. Also, more women have entered the news business, helping to fuel the increasing censoriousness of the press towards extramarital sexual activity on the part of politicians.

These changes, piled on top of journalism's perennial liabilities, have produced a much-cheapened press performance—including the modern phenomenon of the "feeding frenzy," in which news

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coverage of a scandal generates still more coverage and grows to a size that is out of all proportion to the offense involved.

Sabato's book gives, in some detail, examples from the long list of press excesses of this sort in recent years. During the 1988 presidential campaign, for instance, it was wrongly reported that candidate Michael Dukakis had received psychiatric treatment. The story originated in rumors that were started by followers of Lyndon La Rouche and helped along by the Bush campaign. The gossip became intense, and finally a reporter asked Dukakis about it publicly. The candidate's answer was not unqualified enough, and one newspaper felt free to print a highly suggestive story. Others jumped in to report on the now-public controversy, and a damaging frenzy ensued.

In much the same way the press pursued unsubstantiated accusations in 1988 against new vice-presidential candidate Dan Quayle, charging him with sins from plagiarism to adultery to drug use. For the last of these charges, the press's major named source was a federal prisoner who had been convicted of drug smuggling, a series of bombings, and perjury. In a similar exercise, the late John Tower was kept out of the post of Secretary of Defense in 1989 largely by press reports of raw FBI data about him, though the information had never been subjected to critical scrutiny.

The reader may think that he or she has already heard these arguments about the press, but Sabato does the work necessary to produce hard evidence and has the nerve to declare flat-out that many of the rumors behind the feeding frenzies are simply not to be believed. This willingness is no small matter: Many political writers today refuse to say such heretical things because of reflexive post-Watergate mistrust and a deep fear of being labeled a sucker if and when new, more damaging information comes to light. Indeed, even Sabato joins in one feeding frenzy by endorsing the recent media attack on the personal behavior of Senator Charles Robb. In today's climate, no one can avoid being swayed at least a little by the journalistic winds.

Sabato's interviews perform the additional service of showing that many senior journalists are themselves thoughtful and worried about the current trend. Some of these newspersons are probably less thoughtful when actually covering stories than they are when making high-minded conversation with visiting scholars. Still, these expressions of self-doubt, in a profession that has been so supremely confident since Watergate, are a sign that scandal coverage has become a problem too big for anyone to ignore.

The consequences of this journalistic style, Sabato says, are significant. It trivializes politics, gives citizens less rather than more

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useful information than before about their leaders, and makes people unduly cynical about politics. Just as important, it substitutes itself for other institutions, like political parties, that should be selecting our candidates for us, and it makes politics treacherous enough to keep many good people out of the game. Not so accidentally, these last two problems are the same ones that occupy Alan Ehrenhalt in his recent book.

IN *The United States of Ambition*, Ehrenhalt, executive editor of *Governing* magazine, illuminates post-Watergate politics by examining candidate recruitment. We often hear that our public policies ultimately grow out of voter preferences. We also hear, more pessimistically, that it is now money or the way a candidate looks on television that determines election and policy outcomes. But prior to these issues, says Ehrenhalt, is the question of what sorts of people decide to go into politics in the first place.

The book argues that the decline of the old political system has produced radical changes in the way candidates are recruited. The parties, which used to play such a big role in choosing candidates, running their campaigns, and handling their political and patronage affairs, have declined. So politics takes much more time and effort than before on the part of politicians themselves. As a result, new sorts of people are going into the business. They can no longer be part-timers. They must devote themselves wholly to running for office and staying there. They must be able to present themselves publicly in ways that were unnecessary for a good number of politicians in the past. Owing their elections more exclusively to their own efforts, they are not inclined to defer to party or legislative leaders, and the new politicians' Vietnam-era upbringing and Watergate education only reinforce this anti-authority posture.

The new system has two major consequences. First, it gives Democrats a big advantage, because Democrats believe in the importance of government and are therefore more ready to devote a career to it. They are also more likely than Republicans to hold jobs in fields that are not well paid, and it is therefore less of a financial sacrifice for them to leave the private sector for politics. For both these reasons it is easier for the Democratic party to recruit good candidates and run good campaigns. This helps explain why the Democrats and their ideas maintain their hold on state, local, and congressional offices despite the voters' preference for Republican positions at the presidential level.

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Our current arrangements also have the consequence of making it exceedingly hard to govern. Because new-style legislators have so little incentive to follow anyone else's lead, more of them make use of their independence to say "no" to policy initiatives. It becomes correspondingly harder for a legislature to say "yes." It is no wonder that leadership becomes rare.

Ehrenhalt tells about the origins and effects of this change in a wide variety of places, from California to Connecticut. The stories are wonderful; they abound in the telling details that can come only from familiarity with these communities and from a catholic love of American politics. We learn about Sioux Falls, South Dakota, which, in an especially severe case of Watergate-itis, broke up the political establishment in 1974 by electing a local disk jockey as mayor. With the establishment gone, the new mayor found it very difficult to govern or to plan for the city's growth. In Greenville, South Carolina, county government became more open—and one of the first new groups to walk through the door was the fundamentalist community, which allied itself with rural interests to block the city's development.

Utica, New York, used to be run by an honest-to-God boss named Rufus Elefante. But by the 1980s, reform politics had replaced him with a mayor and city council of individualists, and, as Ehrenhalt puts it, "all kinds of policy disputes seemed to linger forever." In the Colorado legislature, power passed from a rural establishment to ideological conservatives—many of whom soon departed public life, leaving the field to amateur politicians, a good number of whom were women. There is a "common feeling," the author says, that the Colorado amateurs so gifted at winning elections are not so good at working to govern the state.

When we look at Congress, we note another effect of the present system: members are very good at keeping themselves in office. Much has been said about the electoral advantages of incumbency, but it is also important that modern congressmen are of the sort to use these advantages with great skill. They very much want to stay on the Hill; after all, many of them have almost always been full-time politicians and have no professions to go back to. It is this intensity of desire that leads to the congressmen's constant campaigning, even if their seats are safe. Also, these congressmen not only raise money ad infinitum but pride themselves on their assiduous service to individual constituents. These officials, Ehrenhalt says, are "hyper-responsive" to the interests of their particular districts and thus hard to form into a legislative majority. So we see a paradox: As individual congressmen become more competent, the institution grows less so. Congress seems to

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be in the grip of a self-interested paralysis and provokes cynicism among citizens.

IN THE MOST ambitious of these books, *Why Americans Hate Politics*, *Washington Post* writer E.J. Dionne argues that this cynicism has yet another, deeper root. Dionne contends that American politics exists in a time warp formed during the 1960s, when the New Left and the counterculture launched a highly moralistic assault on old-style liberalism. The righteous fervor of the attack delegitimated liberalism and legitimated resistance to the authority of the liberal establishment. And liberalism was not the only target; in tandem with the left's moralism came anti-Americanism.

Activists on the left both pushed a concern with values to the forefront of American politics and espoused particular values that most of their fellow citizens found repulsive. Political conservatives exploited these flaws with an approach just as moralistic as the left's but considerably more popular.

Dionne lists the elements and phases of the conservative takeover. The neoconservatives contributed to it by inventing the idea of the "new class," a hateful left-wing elite, to replace the old conservative moneyed elite so often excoriated by liberals. The neocons also legitimated the anti-statism of the conservatives by showing that many liberal social programs had not worked. (After discovering government policy after government policy with perverse consequences, neocons began saying that, in general, market solutions to our problems are preferable. Thus, says Dionne, were the neoconservatives corrupted and turned into ideologues.)

Another building block of the eventual conservative victory was the white working class. The left had contempt for these voters, who had been part of the old liberal coalition but were insensitive to the new activists' notions of social justice. When the Democrats grew less inclined to woo these workers with concrete economic proposals, conservatism benefited from the neglect. Still another element in the right's takeover was antifeminism. Post-Watergate feminism, part of the agenda of the left, addressed the concerns of professional women eager to enter the job market but neglected their lower-income sisters, who worked unwillingly and still saw the family as the center of their lives. These cross-pressured women joined the ranks of the defectors from liberalism.

Richard Nixon, surprisingly liberal in many of his policies, nevertheless skillfully exploited this increasing polarization. Jimmy Carter might have arrested the trend had he done more to

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address workers' economic concerns, Dionne argues, but he did not and could not; many congressional Democrats were by this time skeptical of the government action that would have been required. Despite Watergate, then, the liberal coalition continued to crumble.

Thus came the ascent of Ronald Reagan, who stole the whole issue of economic growth from the Democrats and used supply-side tax cuts as a new way of passing economic benefits around. But, says Dionne, the conservative coalition behind Reagan was another unstable assemblage. In the mid-1950s, *National Review* had managed to bind the various strands of American conservatism—isolationist and internationalist, libertarian and traditionalist—with the glue of anticommunism. But during the Reagan years, the internal contradictions in this fusion grew more prominent. After the 1981 tax cuts, the Reaganites never again did anything as impressive in the economic sphere; they certainly did nothing spectacular in cutting expenditures. Reagan had claimed that tax cuts would promote personal virtues like thrift and industriousness, but what we got instead was the drama of leveraged buyouts. The religious right pressed its social agenda, especially on the issue of abortion, but libertarianism also gained strength. Reagan proclaimed a more aggressive foreign policy, but Iran-*contra* showed that he could not conduct such a policy openly, and the end of the Cold War saw a resurgence of right-wing isolationism.

Dionne argues that by the mid-1980s, conservatism was as exhausted as liberalism. The Democrats had a chance to rebound. So what did the Republicans do to meet this threat in the presidential campaign of 1988? They returned to their strong suit, the politics of symbols and of polarization. George Bush became a conservative. His campaign operatives used advertising-campaign-style focus groups to find out how to gut Michael Dukakis, and from this research came the Republican campaign's emphasis on taxes, crime, and race. Dukakis cooperated by refusing to appeal to broader economic themes. So the 1988 election campaign was scandalously low in tone, the public stayed away in droves, and the nation remained mired in the politics of symbolic polarization and incoherent policy.

We can escape, says Dionne, only by once more embracing the politics of the center and of the common good. Such a politics, he thinks, includes nonracial solutions to race problems, emphasizing family through means like parental leave and a more progressive tax policy, accepting legal abortions but talking more about the moral aspects of the choice involved, investing in growth, experimenting with social policies, and expanding programs for children.

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DIONNE'S ACCOUNT of our post-Vietnam political history is compelling. When it comes to recommendations, he more or less adopts a neoliberal agenda whose problems are easy enough to point out. Federal programs are not always failures, but since the early 1960s we have learned much about the limitations of government action, and we cannot just decide, as an act of political will, to squeeze this knowledge back into the tube. It is indeed time to attend to issues of welfare, for instance, but it is by no means clear that we are more certain about how to cope with these problems than we were twenty-five years ago. The idea of government's directing the nation's economic growth remains as problematic as it ever was, and the notion of more progressive taxation as the key to family strength is even more so.

Still, much in this agenda is attractive. And more important, these days it would be an immense relief to be able to turn more of our energy to normal bickering over policy differences rather than spending so much of our time mesmerized by a politics of moralism and scandal.

Yet consider what would be needed for the transformation: The press would have to increase its self-restraint. Legislatures of hyper-individualistic politicians would have to run risks back home for the sake of creating a policy majority. The Democrats would have to give up the politics of inquisition and the Republicans foreswear the use of flag-burning issues. Democrats would have to agree to stop giving Republicans such irresistible symbolic targets, while Republicans would have to pledge themselves to showing more respect for the importance, in a democracy, of issues of ethical impropriety.

To state these requirements is to despair of our politics' being able to fulfill them in anything like the near future. Such is the size of the damage that the radicalism of the 1960s did to the public interest.

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Telling the Truth About Guns

DON B. KATES, JR.

***Gary Kleck*: Point Blank: Guns & Violence in America.** *Aldine de Gruyter. 480 pp. $59.95.*

IT IS AT ONCE distinctly odd and distressingly typical of the fanaticism of the gun-control debate that Gary Kleck, a Florida State University criminologist, has been assailed as a handmaiden of the gun lobby. It is odd because Kleck's recommendations for gun control well exceed even those the National Rifle Association bitterly opposes in the proposed Brady bill. (Kleck favors mandatory background checks not just for handgun sales but for long guns as well.) Yet despite his sentiments, Kleck's findings do give some aid and comfort to the gun lobby. For he is among the bevy of scholars whose work over the past fifteen years has eclipsed and discredited the major arguments for banning guns rather than simply controlling them.

The considerable social-science literature on guns that emerged in the 1960s was notoriously insubstantial and partisan, and it gradually came to be used in a way that exemplifies Florian Znaniecki's concept of "sagecraft"—the misuse of scholarship by partisan academic "sages" who invent, select, or misinterpret data to validate preordained conclusions. Fortunately, by the late 1970s the vast gaps in useful research were being filled by the original work of more objective scholars like Kleck, who now presents his research in *Point Blank: Guns and Violence in America*, an exhaustive examination of this controversial subject.

Kleck's research and that of other social scientists undercuts the truisms supporting the case for wholesale banning of handguns or all guns. The prohibitionist argument hangs on the assumption that most murderers are ordinary people driven to violence in a fit of momentary rage. These people, according to the standard scenario, would never have killed but for the ready accessibility of a gun that, ironically, was kept for family defense. If this were true, banning all guns (not just handguns) might be a simple and effective way of reducing murder. The problem is that it just isn't true.

Far from being ordinary, otherwise law-abiding citizens, those who commit murders, as every study of homicide shows, are real criminals with long histories of violence against the people around them. They frequently have records of other serious felonies, substance abuse, and auto accidents. Indicative of this are FBI statis-

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tics showing that 74.7 percent of persons arrested for murder had been arrested previously for a violent felony or burglary. Looking only at their adult criminal records, murderers average a prior criminal career of at least six years, including four major felony arrests. By the same token, 64 percent of convicted murderers who are released are rearrested within four years for new crimes.

Insofar as the term "acquaintance homicide" evokes images of people killing each other in neighborhood disputes, it is highly misleading. The common forms of "acquaintance homicide" are between rival gang members, between criminal associates who have a falling out, and between drug addicts or dealers in more or less planned "rip-offs" or competitor eliminations. Nor does the fact that many murders involve relatives refute the point that perpetrators are not ordinary citizens but homicidal aberrants. After all, lifelong violent criminals have relatives, too. Kleck notes that 70 to 75 percent of domestic killers have prior arrest records. But this figure actually minimizes their prior history of violence—criminals who have battered only their relatives are disproportionately unlikely to be arrested until they actually murder them. Studies of domestic homicide find that in 90 percent of such killings the police were called to the residence to stop an altercation at least once in the preceding two years, but that these calls rarely resulted in an actual arrest. In 50 percent of the cases the police had been called to the residence five or more times during the two years before the murder.

AS KLECK emphasizes, these facts do not argue against gun controls rationally tailored to target dangerous people. Kleck's further point—that people with life histories of violence, felonies, substance abuse, and auto accidents also turn out to be disproportionately involved in fatal gun accidents—accentuates the desirability of disarming them. Kleck's findings are uncongenial to both sides in the great American gun war. By portraying murder and accident statistics that are idiosyncratic to violent criminals as if they were applicable to the populace in general, anti-gun groups have fabricated an argument for universal gun prohibition. (Their long-range goal, short of outright confiscation, is national legislation patterned after the 1976 Washington, D.C., law whereby no one may buy a handgun or keep a gun of any kind assembled or loaded for home defense.) In theory, the gun lobby accepts laws against handgun ownership by felons and other irresponsible people. We already have such laws, though Kleck wisely urges that they be broadened to forbid all guns to such people. What the gun

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lobby myopically opposes is screening mechanisms, such as permit systems or criminal-records checks before a gun purchase can be made. (A recent exception to this opposition was the NRA's support for the Staggers bill, an alternative to the Brady bill that would have required an instant records check for prospective gun owners.) In general, the gun lobby fears that prohibitionists will turn screening into an administrative obstacle course to deter and preclude gun ownership. Unfortunately, this has long been the practice in jurisdictions that require permits, such as New York and New Jersey. Thus gun owners typically oppose even reasonable controls, believing that they would have no redress no matter how unreasonably controls are enforced or administered.

Perhaps the most important of Kleck's findings involves the defensive use of guns. Prohibitionists advise surrender, rather than physical resistance, to rapists or other criminals. Pete Shields, founder of Handgun Control, Inc., and author of *Guns Don't Die, People Do*, has this advice: "to keep [yourself] alive, put up no defense—give them what they want or run." Shields claims that "[t]he handgun owner seldom even gets the *chance* to use his weapon." But Kleck's research shows that handguns are used as often, or more often, by ordinary people repelling crime as by criminals committing it. In a typical year, for example, there are 645,000 defensive incidents compared to 581,000 criminal attempts. Eighty-three percent of criminals confronted by armed defenders either flee or surrender. Complementary data comes from a survey of 2,000 felons in state prisons across the country conducted under the auspices of the National Institute of Justice. Thirty-four percent of the felons surveyed said that they had been "scared off, shot at, wounded or captured by an armed victim," and about 69 percent reported that at least one of their acquaintances had had this experience.

In response to two other questions, 34 percent of the felons surveyed said that in contemplating a crime they either "often" or "regularly" worried that they "might get shot at by the victim"; 57 percent agreed that "most criminals are more worried about meeting an armed victim than they are about running into the police"; and 74 percent agreed that "one reason burglars avoid houses when people are home is that they fear being shot during the crime." The last finding is particularly important. The reason burglaries result in far less victim injury and death than robberies is that most burglaries occur when no victim is at home for the burglar to harm. Thus all citizens, whether they own guns or not, benefit from widespread gun ownership, which causes burglars to take care to strike only at unoccupied residences.

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SHIELDS IS CORRECT about the danger of resistance—except in the case of resistance with a gun. Victims who resist barehanded, with a knife, or with a blunt instrument are twice as likely to suffer harm as those who submit—though, of course, they are much less likely to be raped or robbed. But because criminals often gratuitously kill or injure even unresisting victims, those who submit are twice as often harmed as those who resist with a gun, the only weapon that allows the weak to resist the strong.

Prohibitionist groups, combining political savvy with woeful technical ignorance of weapons, have long opted to seek a ban on handguns only, believing it is not yet time to seriously push a ban on all guns. Ironically, if a handgun ban actually did reduce their misuse the result would be greatly increased homicide, caused by even a partial substitution in assaults of the far more deadly shotgun and high-powered rifle. Prohibitionists think that banning handguns would save lives by forcing attackers to rely on large knives, which kill only about 2.4 percent of those they wound, rather than handguns, which are 1.31 to 3 times deadlier. But what if banning handguns led some attackers to rely on hunting rifles, which are 5 to 11.4 times deadlier than handguns, or shotguns, which are much deadlier than handguns or even rifles?

Of course long guns could not be used in all circumstances in which handgun woundings now occur, since long guns are much less concealable (unless sawed off). But based on homicide studies, Kleck estimates that "anywhere from 54 percent to about 80 percent of homicides occur in circumstances that would easily permit the use of a long gun." In the National Institute of Justice felon survey 82 percent of the prisoners agreed that "if a criminal wants a handgun but can't get one he can always saw off a long gun." That is "easy," according to 87 percent of those felons who had often used handguns in crime and 89 percent of those who had often used shotguns. Far from saving lives, the current handgun murder toll might well double or even triple if a handgun ban resulted in long-gun substitution at the rates indicated.

The same is at least equally true of gun accidents. Not only are long guns far more deadly when accidentally discharged, but for technical reasons they also are more subject to accidental discharge than are handguns. Prohibitionist literature discussing accidents never acknowledges that three decades of skyrocketing handgun ownership have seen a precipitous reduction in fatal gun accidents, as gun owners have substituted the handgun for the much more dangerous long gun as the weapon kept loaded for home and business defense.

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To play up accidental handgun deaths among small children, one prohibitionist organization runs national advertisements picturing an infant playing with a pistol. Anti-gun groups variously put the number of "child" handgun deaths annually at 365 or even 1,000. On examination it turns out that these figures are for *all* gun accidents, not handgun accidents, and are concentrated overwhelmingly in the adolescent and teenage years. Many occur among eighteen- and nineteen-year-old drug addicts and dealers who kill themselves or others in incidents that may be accidents, suicides, or murders. Out of the 1,000 yearly "child" deaths, only fifteen to twenty-five are of children under age five; 122 are of children under age ten. Obviously the accidental gun death of even one small child is a tragedy. So is the accidental death of an adult. As previously noted, however, fatal gun accidents (including those involving children) may be attributed largely to gun possession among the same kinds of aberrant adults who perpetrate murders. Kleck advocates feasible controls aimed at reducing these tragedies by disarming such irresponsible people.

To assess the desirability of reducing gun accidents by banning and confiscating America's seventy to eighty million handguns (even if that were possible), some comparisons may lend perspective. If fifteen to twenty-five small children die in handgun accidents annually, close to 380 drown in swimming pools. Yet there is no demand to ban new swimming pools. Nor do we forbid smoking in the home despite the fact that 432 children die annually in residential fires caused by adults who doze off while smoking.

KLECK IS NOT a lawyer, and he eschews discussion of the much-mooted issue of the constitutional right to bear arms. But a vital recent development is that a number of liberal constitutional scholars who have studied the Second Amendment have come to recognize that it guarantees to responsible adults the right to own guns. Now even the executive director of the ACLU (though not yet its board of directors) has admitted as much.

Such recognition offers a chance to break the impasse that has blocked rational gun-control legislation for decades. The most startling aspect of the gun lobby's ability to thwart legislation is that polls show gun control has overwhelming majority support—including the support of the majority of gun owners. But this turns into fervent opposition when owners find that the dominant forces in the anti-gun lobby are actually prohibitionist. Criminologist James D. Wright aptly describes the anti-gun view of gun owners as "demented and blood-thirsty psychopaths whose concept of fun is to

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rain death upon innocent creatures, both human and otherwise." In contrast to this common stereotype, Kleck's findings show that, on average, gun owners are better educated and more prestigiously employed than non-gun owners—and that areas with widespread gun ownership have less crime than areas where ownership is rare.

Much of the negative political impact of anti-gun sentiment could be dispelled if the Supreme Court squarely recognized the right of law-abiding adults to choose to own firearms. By preempting the prohibitionist agenda, such a decision would also prevent gun lobbyists from treating every control initiative as a prohibitionist subterfuge. With each extreme discredited, rational people could agree to correct abuses in current controls and throw out unworkable ones, while adopting or expanding those that can contribute to public safety. In any such effort, *Point Blank* will be the primary information source.

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The Letter of the Law or the Spirit of the Law?

TERRY EASTLAND

***Hadley Arkes*: Beyond the Constitution.** *Princeton University Press. 278 pp. $24.95.*

HADLEY ARKES'S previous book, *First Things*, published in 1986, was an impressive articulation and defense of moral philosophy and what would now be called traditional morality. Now Arkes, who teaches at Amherst College, focuses specifically on jurisprudence. Arkes's overriding concern is how judges should interpret and apply the Constitution as they decide constitutional cases. He argues that the Constitution can be understood and justified only in moral terms found in "standards of natural right that existed *antecedent* to the Constitution." Jurists, he says, cannot understand the Constitution apart from those moral premises. Drawing upon these premises in constitutional cases is what it means to go "beyond the Constitution." Ultimately, for Arkes, the discipline of jurisprudence is "the discipline of moral reasoning."

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Beyond the Constitution thus is an entry in the continuing public debate over judicial (or constitutional) review that in recent years has featured, most prominently, former Justice William Brennan and Robert Bork. Arkes, a political conservative, shares Bork's unease with the results of many recent Supreme Court decisions, which represent what Bork has called "non-interpretive" review. But Arkes thinks Bork and "many conservatives" like him have "an extravagant skepticism toward the very notions of moral truth and natural rights." Arkes is aware of Bork's well-known remark that when a judge goes "outside" the Constitution to decide a case, he inevitably draws upon his own subjective values. Arkes concludes that Bork rejects "the possibility of knowing moral truths in the literal sense—i.e., truths, that hold their standing as truths in all places and cultures." He says that for Bork and others of his persuasion the only "right" and "wrong" is that which has been accepted by a majority; in other words, only that which has been expressed in positive law. Bork and his kind are, in Arkes's dictionary, "legal positivists," and all legal positivists, it appears, are moral skeptics. These positivists/skeptics fail to go "beyond the Constitution" to interpret the Constitution in light of the document's moral premises; they do not rise to the challenge of "the discipline of moral reasoning."

Of course, Arkes does not believe that liberal jurists like Brennan, who roam well and unabashedly "beyond the Constitution," engage in this discipline either. Their jurisprudence, he says, is only superficially concerned with morality and in fact embraces moral relativism—a charge Bork also makes. Ultimately, for Arkes, modern theories of judicial review, whether on the right or the left, are riddled with relativism and positivism, both of which, he argues, displace natural rights. Arkes aims to chart a different path for judicial review, one based on natural rights. In the natural-rights background of the Constitution, he writes, can be found "the principles of right and wrong that stood antecedent to the Constitution." And it is these principles to which judges must repair if they are to understand and apply the Constitution.

TO UNDERSTAND Arkes's approach, it is useful to consider his treatment of Justice John Paul Harlan's dissent in *Plessy* v. *Ferguson*, the 1896 case in which the Supreme Court sustained a Louisiana law segregating the races in passenger trains. As is well known, Harlan said the statute violated the equal protection of the laws guaranteed under the Fourteenth Amendment. But Arkes emphasizes what is less well known, that as Harlan concluded his

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opinion he effectively referred to two other provisions in the Constitution—the Article IV guarantee to each state of a republican form of government (the Guaranty Clause) and the Article VI declaration that the Constitution is the supreme law of the land (the Supremacy Clause). Specifically, Harlan observed that the railcar law is inconsistent with the constitutional guarantee to each state of a republican form of government "and may be stricken down ... by the courts in the discharge of their solemn duty to maintain the supreme law of the land, anything in the Constitution or laws of any state to the contrary notwithstanding." Arkes comments that these two clauses would have been sufficient to carry the constitutional argument, because they would have enabled a jurist to argue that racial segregation was incompatible with the principles of republican government guaranteed by the Constitution, principles that the courts must enforce. He adds that an argument of this kind would not have needed to invoke the Thirteenth or Fourteenth Amendments.

Arkes's treatment of *Plessy* well illustrates just how concerned he is with penetrating to the moral argument in a constitutional case. Here the Guaranty Clause is for him critical, because of the principle it supplies; with that principle in hand, the *Plessy* Court could have engaged in the discipline of moral reasoning. And not just the *Plessy* Court, it would seem; on the theory of this book, it would appear that a pre-Civil War Court could have reasoned from the Guaranty Clause in order to strike down slavery, assuming the necessary case.

Arkes argues for his approach to constitutional jurisprudence in numerous contexts, perhaps most remarkably in regard to federalism and the Bill of Rights. He observes, correctly, that federalism does not supply a substantive moral principle as such. Because it does not, he argues, judges should go beyond the provisions in the Constitution that bear on federalism and instead "focus on the substantive moral ground that defines the wrong" in a case involving federalism. Likewise, as to the provisions specifically in the Bill of Rights, Arkes writes that judges should enforce only those that reflect "a principle of law bound up with the logic of doing justice."

One of the implications of *Beyond the Constitution* is that the Supreme Court could have applied at least some of the provisions in the Bill of Rights (i.e., those "bound up with the logic of doing justice") to the states as soon as it was ratified in 1791—notwithstanding that the clear understanding of the time was that it did not apply to the states, a position affirmed by the Supreme Court in *Barron* v. *Baltimore* in 1833. Of course, Arkes might argue that

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while the Supreme Court could have taken this course, consistent with "the principles of right and wrong," it would have been imprudent for it to do so, just as he might also argue, similarly, that it would have been imprudent, prior to the Civil War, for the Court to reason from the premises of republican government in order to void slavery, although on his theory indeed it could have.

AS IN *First Things*, Hadley Arkes shows in *Beyond the Constitution* that he is a fine writer and a thoughtful moral philosopher. The problem here, however, is his constitutional jurisprudence. While he usefully challenges writers on the subject to focus on the moral premises of republican government, the case he presents for his theory of judicial review does not succeed.

One difficulty lies in his contention that our first generation of jurists understood judicial review precisely as he does. Arkes is impressed with an historical truth—that almost all early Americans, not to mention early American jurists, believed in principles of natural justice and that they saw the Constitution as embodying at least the most important ones. But contrary to what Arkes implies, only a very few of our first jurists can be said to have gone "beyond the Constitution" in order to interpret and apply it. In *The Rise of Modern Judicial Review*, Christopher Wolfe can count only five examples of Supreme Court natural-justice (i.e., Arkes-like) review from 1789 to 1829, and his list includes a circuit-court case. During the same period, Wolfe counts sixteen instances of "interpretive" judicial review, which he calls the "mainstream" approach. Moreover, if one looks at the few examples of natural-justice review, the language of natural justice was, Wolfe points out, "either *dicta* [passing remarks unnecessary to the decision] or was tied to some reference to the letter of the Constitution as well." Not surprisingly, despite the impression Arkes conveys of a great host of early jurists in agreement with him, he can name only a few jurists on his side. And there are good reasons to doubt whether all of these few are really with him.

Take, for example, James Wilson, a leading Framer and one of the first justices. During the Constitutional Convention, in a passage not quoted in *Beyond the Constitution*, Wilson said: "Laws may be unjust, may be unwise, may be dangerous, may be destructive; and yet not be so unconstitutional as to justify the Judges in refusing to give them effect." There was a context for this observation; Wilson was arguing the need for a Council of Revision, which the Convention rejected. But what is notable for our purposes is Wilson's denial that an unjust law must therefore be ruled

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unconstitutional by a reviewing court. Arkes does not take account of this remark of Wilson's, nor of Chief Justice Marshall's rejection of the argument (in *Barron* v. *Baltimore*) that provisions of the Bill of Rights are applicable to the states. (Marshall is another of Arkes's "beyond the Constitution" early heroes.) Of course, it is possible to conceive of ways of treating this seemingly contrary evidence—Arkes could argue that, for prudential reasons, a Wilson might say a judge can hold back from declaring unconstitutional a clearly unjust law. Indeed, Arkes would seem to need a doctrine of prudence for his jurisprudence to work in a practical sense, yet he does not develop one.

Still, it must be said that his theory of judicial review does not stand or fall on whether or not our first generation of jurists can be counted unambiguously on his side; his argument is manifestly not historical. Even so, it does not work. Arkes thinks that to admit the existence of objective morality or natural rights or (to borrow the title of his previous book) "first things" is to acknowledge that judges should be guided by this light in constitutional adjudication. He is wrong. It is quite possible to agree with Arkes that there is such a thing as objective morality, that it is intelligible, and indeed that it can be a standard for criticizing positive law, and yet deny, against Arkes, that judges should be guided by anything but the positive law. What Arkes must tell us, but fails to, is why a judge has a duty to go "beyond the Constitution."

Perhaps the reason he fails in this respect is that a judge has no such duty. Judges are not moral philosophers—not in our system of jurisprudence, anyway, and perhaps not in any other, either. (Judges in the Catholic Church's canon law, as in Judaism's religious tribunals, engage mainly in legal reasoning within a tradition of legal analysis, and rarely presume to go beyond this ultimate source as their authority.) Our Constitution does not authorize courts to engage in natural-justice judicial review. And the principles of natural justice themselves do not prescribe a particular theory of judicial review. Indeed, the logic of morals, while it prescribes republican government, does not require judicial review at all. Of course, we as a people could decide, ironically enough through an act of positive law, to have natural-justice review, but we have yet to do so. Should we?

For those who hold to "first things," those things must shape our politics. The question is how. It is a threshold question Arkes should have taken up, for as between the elective branches and the courts, there are good reasons why it is the former but not the latter that may repair to moral reasoning in their decision-making. The elective branches are closer to the people than judges who are

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not elected but appointed, and the mechanisms for correction of wrong legislative decisions are more easily engaged than those for correction of wrong judicial decisions. Furthermore, and most important of all, people should not be held liable in courts of law unless the behavior in question has been specified in advance in positive law as being behavior that should be punished. To do otherwise, as might be done by a judge going "beyond the Constitution," would be manifestly unfair.

ARKES'S TREATMENT of legal positivism, it must be said, leaves much to be desired. Arkes seems to think that all legal positivists are necessarily moral skeptics or moral relativists. Indeed, Arkes unfairly criticizes Bork in this regard, given that Bork, in *The Tempting of America*, wrote that he was "far from denying that there is a natural law." The point must be emphasized that there are different kinds of legal positivists, and they are not equally deserving of Arkes's criticism, because not all of them are moral skeptics or moral relativists.

Beyond the Constitution unfortunately plays into the hands of left-wing judicial activists who have urged courts to go beyond our supreme charter, not to understand it as Arkes does, but to decide constitutional cases in accordance with theories of jurisprudence fashionable in many elite law schools. When Arkes writes that we "cannot apply the Constitution, in the practical cases that arise every day, unless we can move, so to speak, 'beyond the Constitution,'" I hear the activists applauding. That he has a far better understanding of justice than do most activists does not redeem his book. As a practical matter, if the written Constitution is not understood to be a rule for courts, judges will be free to govern by their various lights, which will rarely be those of Arkes's "natural justice." The much more prudent alternative, and the one more likely to achieve justice in the end, is for judges to engage in the hard work of interpreting the Constitution in its own terms, staying within its demanding limits.

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Rousseau's Legacy

MARC F. PLATTNER

***Arthur M. Melzer*: The Natural Goodness of Man: On the System of Rousseau's Thought.** *University of Chicago Press. 308 pp. $18.95.*

AS ARTHUR MELZER observes at the outset of this brilliant and powerful new study of Rousseau, there is virtually no one today who would identify himself as a "Rousseauian." Yet more than 200 years after his death, the personality and the writings of Jean-Jacques Rousseau continue to exert an unparalleled fascination. For although his positive teachings no longer attract disciples, his analyses of the shortcomings of modern society and the dissatisfactions of modern man remain remarkably compelling. As historian François Furet has stated (in a passage quoted by Melzer), "Rousseau may well have been the most far-sighted genius ever to appear in intellectual history, for he invented, or sensed, so many of the problems that were to obsess the nineteenth and twentieth centuries."

Rousseau was the first great modern critic of bourgeois society. Indeed, he was the first thinker to give the term "bourgeois" the kind of negative connotation it so often carries today. Unlike those whose attacks on the emerging new order of the Age of Enlightenment harked back to older ways of thinking, Rousseau opposed bourgeois society in the name of the very principles to which it itself appealed—freedom and equality. As Melzer puts it:

> Rousseau was [modernity's] first *defector*, its first "dialectical" opponent. His defection, moreover, turned out to be the founding event of a since unbroken tradition of modern self-hatred, of protest against modernity arising from within the modern camp, and the first clear indication of the theoretical instability and continuously self-devouring character of the modern revolution.
>
> In other words, Rousseau became the prototype of the modern alienated intellectual: the thinker who agrees with the modern rejection of the principles that underlay the classical and Christian worlds, but who nevertheless loathes the new world that these modern ideas have created. Knowing the man-made character of this world, and blaming it for the unhealthy state of his own soul, he seeks the restoration of the world and his soul through a still more radical, progressive application of these modern ideas.

In one of his most insightful and original formulations, Melzer identifies the dialectical weapon that Rousseau wields against his

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predecessors as "idealistic realism." This approach begins with a thoroughgoing skepticism toward the exalted notions of human nature and morality that informed the classical and Christian traditions. It then takes this "realism" a step further by suggesting that these highflown notions are themselves the cause of the greatest human evils. But such debunking results not in cynicism or despair but in a new idealism. For at the same time that it undermines the "higher" side of human nature, it points to an innocence and hence potential in man's "lower" or bodily nature that furnishes the basis for new hopes about what man may achieve. The deepest tendency of Rousseau's thought indeed fits this description of idealistic realism.

THE PROFUNDITY of Rousseau's critical insights and the rhetorical force of his writings are widely acknowledged. Yet he is rarely given credit for philosophical rigor, let alone for the coherence and the systematic character of his thought as a whole. The reasons for this are clear. First, Rousseau's writings, for the most part, take the form not of systematic treatises but of novels, autobiographies, dialogues, reveries, and essays and letters tied to specific questions, addressees, or occasions. Second, Rousseau's thought is marked by a number of apparent contradictions, most notably between the individualism that dominates the *Discourse on Inequality* and the autobiographical works, and the collectivism that suffuses the *Social Contract* and his other political works.

Although fully conscious of these difficulties, Melzer boldly sets out to demonstrate that Rousseau's thought forms a rigorous and unified system, albeit one presented in an "exceptionally unsystematic" manner. In asserting and seeking to vindicate this claim, Melzer takes his cue from Rousseau himself, who stated that his works are "inseparable and form together a single whole" and that they "explain themselves each by the others." Melzer again follows Rousseau's own explicit claim in taking as the fulcrum of his system the "fundamental principle ... that man is a being that is naturally good."

The idea of man's natural goodness is sometimes regarded as the product of a naive sentimentalism, but this crude misunderstanding can hardly survive even a fleeting acquaintance with Rousseau's actual writings. His unsurpassed denunciations of the viciousness of his contemporaries make it clear that he saw very little goodness in civilized men. Natural goodness is instead to be found in the primitive natural man described in the *Discourse on*

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Inequality. But this solitary, subrational, animal-like creature is portrayed as good primarily because he is so simple, independent, and self-sufficient that he has no need or desire to harm his fellows: one may say that he is too stupid to be vicious.

From this disjunction between the goodness of natural man and the wickedness of civilized man, Rousseau draws the fateful conclusion that it is *society* that "depraves [man] and makes him miserable." He thereby initiates, as Melzer notes, the tendency "to understand the human problem in terms of historical, social, or environmental causes rather than natural or divine ones."

According to Rousseau, the chief cause of both civilized man's evil and his unhappiness is the perpetual contradiction between his desires and his duties. The simple and easily satisfied needs of natural man expand enormously to embrace a whole range of artificial desires; driven by vanity, social man wishes to surpass all his fellows. Yet at the same time, to satisfy his socially acquired needs, he must constantly flatter and serve others and fulfill his social duties. Thus social man is always at war with himself, pretending to care for other men while secretly hoping to use them and get the better of them. Though he is selfish, he does not really live for himself; and though he is sociable, he does not really live for others. In short, he is what Rousseau calls a "bourgeois"—neither a truly independent individual nor a truly public-spirited citizen, and thus condemned to a life of contradiction and misery.

Melzer perceptively identifies "disunity of soul"—induced by the "personal dependence" fostered by society—as the root evil that Rousseau seeks to cure. But the contradiction between selfishness and sociability can be eliminated in one of two ways: by making men live wholly for themselves or wholly for others. In his various writings, Rousseau advances each of these solutions, extreme individualism and extreme collectivism.

The individualist solution, which finds its highest expression in the *Reveries of a Solitary Walker*, and a somewhat more popular development in *Emile*, requires that man live as independently as possible from the society around him. Melzer writes briefly but illuminatingly about this side of Rousseau's teaching, which can be wholly followed by only "a few isolated and rare human beings."

THE PRIMARY focus of Melzer's analysis, however, is the collectivist solution set forth in the *Social Contract*, which seeks to "restore a whole society to goodness and unity" by transforming men completely into citizens. He does a superb job of elucidating the essential features—most notably, the "general

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will"—of Rousseau's political teaching and of tracing the links that connect them to the other aspects of his thought. But it is not clear that Melzer ultimately achieves his aim of explaining "how 'the natural goodness of man' systematically produces the *Social Contract*." It is one thing to claim that Rousseau's politics can only be properly understood in the light of his analysis of natural man and the ways in which society corrupts him; Melzer demonstrates this quite persuasively. It is a very different matter, however, to claim, as Melzer sometimes seems to do, that the teaching of the *Social Contract* is fully in harmony with the individualist premises that lie at the deepest level of Rousseau's "system."

For Rousseau's collectivist solution requires that men be thoroughly "denatured" so that they will prefer the common good to their own private good. But as Melzer at various points acknowledges, Rousseau recognized that in the final analysis such a thoroughgoing transformation cannot be achieved. Man is by nature a solitary individual, and nature cannot be wholly overcome. Thus, as the famous opening sentences of its first chapter indicate, the *Social Contract* aims not to show how the citizen can be truly free, but only to show how his "chains" can be made legitimate. Rousseau never lost sight of the fact that his collectivist political teaching offered a very imperfect solution to the human problem. In this sense, his thought is distinguished not by the unity of his system but by his unflinching exploration of the contradictions that he uncovered at the heart of social and political life.

Though Rousseau was ultimately an individualist, he was surely no liberal. To borrow Melzer's useful phrase, he was a defector from the liberal camp. For he argued that a society founded on the liberal principles of individual freedom and self-interest would make men neither good nor happy, that it would produce neither genuine individualism nor genuine community. Rousseau's thought represents an enduring and powerful challenge to modern liberalism, one that liberals must confront if they are to understand the deep discontents that continue to plague contemporary democracy even at the moment of its seemingly greatest triumphs. Moreover, those who wish to strengthen and ennoble liberal democracy can profit from Rousseau's insights, as is demonstrated by the thought of one of Rousseau's most profound students, Alexis de Tocqueville.

Paradoxically, the cause of liberalism may also benefit if its hostile critics turn with fresh eyes to the work of Rousseau. For Rousseau's fierce clarity, his unwillingness to shy away from the radical consequences of his principles or to paper over contradictions for the sake of a superficial unity, can provide a potent

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antidote to the facile utopianism that has been so prevalent on the modern left.

Like many of his successors, Rousseau attacked bourgeois society from the standpoint both of the authentic individual and of the tightly knit community. Indeed, he may be said to have initiated this peculiar dual line of attack. But unlike Marx, for example, Rousseau always remained fully aware of the irresolvable tension between these two very different standpoints. He recognized both the incompatibility of unfettered individualism with the requirements of any society and the extreme nature of the demands that a truly cohesive community must impose on the individuals who belong to it. A careful reading of Rousseau thus provides a splendid remedy for the view that, with the demise or reformation of bourgeois society, all good things will come together, and for the illusion that either genuine individualism or genuine community does not require enormous sacrifices.

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Are Bureaucrats to Blame?

R. SHEP MELNICK

***Martha Derthick*: Agency Under Stress: The Social Security Administration in American Government.** *Brookings Institution. 231 pp. $32.95 cloth, $12.95 paper.*

***Jerry L. Mashaw and David L. Harfst*: The Struggle for Auto Safety.** *Harvard University Press. 285 pp. $29.95.*

NOT TOO MANY years ago conservatives warned that increasing the federal government's responsibilities would create a huge, arbitrary, and essentially autonomous national bureaucracy that could crush individual liberty. Max Weber's predictions about the dominance of bureaucracy in modern life and Tocqueville's warnings of a "soft" administrative despotism added substantial weight to these charges. Indeed, over the past twenty years the left has become at least as suspicious of bureaucratic power as the right. Few elements of American political culture are as well entrenched as fear and loathing of bureaucracy.

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Martha Derthick's *Agency Under Stress* and Jerry Mashaw and David Harfst's *The Struggle for Auto Safety* offer detailed and perceptive case studies that call into question the conventional vision of public bureaucracies. At first blush the two federal agencies they examine, the Social Security Administration (SSA) and the National Highway Traffic Safety Administration (NHTSA), appear to have little in common. The former is a huge spending agency that has become the keystone of the American welfare state. The latter is a small regulatory agency that, according to Mashaw and Harfst, has accomplished precious little in its twenty-five-year existence. Yet in both cases the authors depict agencies that are surprisingly, even (in the case of NHTSA) pathetically, weak. Both organizations were, to use Derthick's formulation, "badly battered by external forces." Taken together, these books demonstrate that at the very time the federal government was establishing programs to support the elderly poor, to promote highway safety, and to achieve a large number of other worthy goals, power at the national level was becoming increasingly fragmented. As a result, the agencies responsible for carrying out these new mandates were subject to constant surveillance and partial control by a multitude of actors who couldn't agree on much of anything.

THESE developments are presented most graphically in Derthick's book, which is a sequel to her highly acclaimed 1979 work, *Policymaking for Social Security*. During its first forty years, Derthick explains, the SSA "enjoyed an excellent reputation. It was often cited as a model of competence. It delivered checks reliably, in the right amounts, at a very low cost." It also exhibited a remarkable degree of autonomy. The SSA was dominated by a small number of "program executives" like Robert Ball, Wilbur Cohen, and Arthur Altmeyer, who devoted their lives to the expansion of Social Security. These politically astute administrators negotiated quietly with the committee "barons" in Congress, used organized labor to push favored programs during Republican presidencies, and faced little scrutiny from the White House, the media, the courts, or members of Congress.

The principal theme of *Agency Under Stress* is that since the mid-1970s the SSA's extraordinary autonomy "has steadily eroded." Nowhere is this more evident than in the two programs Derthick discusses at length, Supplemental Security Income (SSI) and Disability Insurance. When the SSA put the former program into operation in the 1970s and tried to reduce spending for the latter in the 1980s, it ran into a firestorm of criticism each time. Not only

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did the agency make a large number of serious mistakes in calculating eligibility and benefit levels, but it seemed incapable of predicting the long-term consequences of its initiatives or resisting repeated demands for policy changes. Of the Reagan-era disability reviews, which removed thousands of recipients from the rolls and generated particularly strident opposition from the courts and Congress, Derthick comments: "[The SSA's] role stands in the starkest possible contrast to that which the agency played almost thirty years earlier.... The agency's leaders were then prime movers in the maelstrom of American government; their successors now were passive victims."

Derthick traces the decline of the SSA's autonomy, prestige, and competence to two sets of factors. First is an array of institutional changes well known to students of American politics: the decentralization of Congress, the activism of the federal courts, and the rise of the administrative presidency and adversarial journalism. Second, the SSA became a victim of its own success. It grew so rapidly both in terms of its budget and the complexity of its tasks that it could neither escape the attention of budgeters nor maintain its previous level of performance. SSA leaders became so confident in their ability to handle problems that they willingly took on administratively nettlesome programs that were bound to tarnish the agency's image.

DERTHICK is particularly good at showing the conflicting demands placed on the agency by its many competing supervisors. This is not just a story of a Democratic Congress saying one thing and a Republican president saying something else. Rather, each supervisory institution spoke with several voices. For example, Derthick explains, "Whereas the policymaking presidency impels innovation and hence enlargement of tasks, the administrative presidency, embodied in the OMB, works to contain budgetary costs. Especially in the case of SSI, the conflict between the two presidencies was acute." She shows that for the disability program

> there are two Congresses: one the legislative institution that functions as policymaker for the nation, the other the collection of individual representatives of several hundred geographic constituencies and millions of individual constituents.... The first of these Congresses was very strict. The second did not mean it.

Derthick finds the federal courts to be an especially powerful influence on agency action, but also a particularly unpredictable and inconsistent one, oblivious to the realities of running huge,

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nationally uniform programs. Two statistics on judicial oversight indicate the extent of the SSA's loss of autonomy: in 1960 only 337 court cases were filed against the entire agency; in the early 1980s court orders overturned agency disability rulings for more than 200,000 claimants. By 1985 the SSA had resigned itself to the fact that "there were to be two disability determination processes—one bureaucratically controlled and nationally uniform in application, the other judicially controlled and potentially varying among the circuits."

Derthick by no means claims that the SSA was an error-free agency that should be freed from political supervision. Rather, she argues that the SSA made such a large number of errors—at times approaching administrative meltdown—because it was so receptive to the requests of outsiders. Ironically, the Reagan administration pushed the agency very hard on disability review in large part because it expected the SSA to be highly resistant. When the agency quickly and dutifully did as it was told, the Reagan administration was stunned to see the havoc it had wrought.

Since few Americans will ever mourn the loss of agency autonomy, Derthick's description of the aftermath of the SSI and disability fiascos is worth quoting at length:

> In both instances [the SSA] was left with responsibility for a fragmented, decentralized program over which it had lost its customary share of policy control. To the extent that uniform polices and practices were sacrificed (to the states in SSI, to the courts in the disability review), so was the essential character of the SSA as a national agency. Relations with employees and state agents were impaired as a consequence of their having been assigned demoralizing tasks. Relations with clients were also strained as a result of errors in performance, some that inflicted cruel hardships on innocent and vulnerable individuals and others that burdened taxpayers with unjustifiable expense.

IF DERTHICK'S story often seems tragic, the one Mashaw and Harfst tell is at times a comedy of errors. How could NHTSA, Congress, and the courts possibly have wrestled with the relatively straightforward issue of airbags for almost twenty years and not yet come to a decision? Mashaw and Harfst's case study, though, contains lessons that extend beyond the realm of auto safety.

The major argument of *The Struggle for Auto Safety* is both simple and convincing. In 1974-1975 the National Highway Traffic Safety Administration turned its back on a standard-setting strategy that focused on new car equipment such as padded dashboards and brakes. This strategy had already produced a modest but measurable increase in auto safety and, the authors argue, had the poten-

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tial for greater effectiveness in the future. At the same time, NHTSA embraced a recall strategy that produced virtually no safety benefits and may even have slightly increased risk for the car-driving public. (This is because "a modest error rate in the repair operations of the hundreds of dealerships who must actually do the repair work for recalls could introduce more hazards than are eliminated.") Although Congress contributed marginally to this unfortunate regulatory switch, the real culprits were the courts. A series of decisions issued by federal appeals courts made the rulemaking process so onerous and unpredictable that the agency virtually stopped writing regulations of general applicability. Mashaw and Harfst report that the agency was "haunted by the specter of judicial invalidation." Not only did those responsible for writing new standards become highly defensive, but the lawyers who championed the recall strategy managed to capture the Office of General Counsel and use the threat of judicial reversal to block further standard-setting. Ironically, while rulemaking is generally considered the most rational of regulatory strategies, "The result of judicial requirements for comprehensive rationality has been a general suppression of the use of rules."

To make matters worse, another federal court, the ubiquitous D.C. Circuit, led NHTSA down the garden path of recalls. If courts such as the Sixth Circuit were too demanding and too favorably disposed toward the auto industry, the D.C. Circuit was all too willing to force manufacturers to recall cars that presented minor and speculative risks. Mashaw and Harfst are quite puzzled by this court's recall decisions, and offer some interesting suggestions about how emerging product-liability doctrines might have influenced judges' perceptions of the issue. But they ignore the most obvious explanation: the D.C. Circuit of the 1970s was fervently anti-business, which accounts for its receptiveness to ordering recalls. For the same reason, if the authors of the 1966 auto-safety law had had the foresight to centralize review of NHTSA rules in the D.C. Circuit, the agency's rulemaking strategy would surely have received a more sympathetic hearing in the courts. The D.C. Circuit would probably either have upheld the agency or, more likely, ordered it to regulate the auto industry even more aggressively. NHTSA's fate was not in the stars, but in its venue.

Despite the fact that the authors think NHTSA should have been more aggressive in setting "technology forcing" standards, they have harsh words for Ralph Nader and his allies. Nader embraced the ineffective and distracting recall strategy because he needed to sustain his many organizations as well as protect his reputation as a thorn in the side of the auto industry. The consumer

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groups Nader organized received many complaints about defects in existing models; by pushing recalls he was able to show that he was responding to consumer discontent. He could also provide the media with evidence of industry incompetence and malevolence. In the process of pushing for more recalls he formed an unholy alliance with product-liability attorneys. When Nader's long-time associate Joan Claybrook became head of NHTSA, she took a similar stance in order to demonstrate her willingness to confront the industry. In sum, when forced to choose between attacking Detroit and enhancing safety, Nader and Claybrook chose the former.

Mashaw and Harfst also paint a vivid picture of the inconsistencies of congressional action. In 1974, eight years after Congress had mandated an aggressive program to reduce highway fatalities, some members bitterly denounced a mandatory seatbelt-interlock system, which promised to be highly effective, albeit inconvenient. (Readers will recall that interlock systems prevented a car from being started unless all passengers wore seatbelts; if a passenger disconnected his belt an annoying buzzer would sound.) At the same time, Congress demanded strict new rules for school buses, despite the fact that very few children are killed in bus accidents. Mashaw and Harfst describe Congress as "spectacularly fickle," and show how this fickleness contributed to the incapacitation of NHTSA.

ONE FLAW in *The Struggle for Auto Safety* is its constant effort to explain all policy outcomes by reference to "the legal culture," a fuzzy concept which seems to include everything from constitutional structures to contemporary tort doctrines. They claim that American legal culture is generally hostile to health and safety regulation. Most students of environmental regulation will find this assertion quite strange.

Fortunately, the authors' fascinating discussion of the airbag controversy helps explain what is peculiar about regulation of auto safety. Consider the following four propositions, all of which are implicit in Mashaw and Harfst's analysis: (1) health and safety regulation generally enjoys high levels of political support; (2) traffic injuries are far and away the most serious risk facing most Americans; (3) airbags and other passive restraints are clearly the most effective method for reducing auto injuries and fatalities; (4) most Americans won't buy airbags, won't wear seatbelts, and won't abide interlock systems. The obvious implication is that at least when it comes to semi-voluntary risks associated with driving cars, Americans become very angry when the government provides an effective response to their demand for safety.

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Faced with these inconsistent public sentiments, regulators and other advocates of enhanced regulation must find ways to disguise costs, to avoid regulatory strategies that directly affect the lives of voters, and to paint industry as the creator of unnecessary risk. EPA and OSHA have found ways to do this, but they are not charged with redesigning Americans' most prized consumer good. It is the peculiar nature of its regulatory task that has made these conflicting political pressures so devastating for NHTSA.

What, then, are we to make of these two stories of agencies "under stress"? Clearly the receptivity of the American government to a large number of inconsistent demands produces inefficiency and an enormous amount of wasted effort. But as Louis Brandeis pointed out many years ago, separation of powers was "adopted by the Convention of 1787 not to promote efficiency but to preclude the exercise of arbitrary power." To their credit, the authors of these books do not engage in the crisis-mongering so common in writing on public affairs. Derthick offers modest proposals to increase lawmakers' awareness of administrative issues. Mashaw and Harfst recommend that NHTSA adopt a more cooperative stance toward the auto industry. Both books perform a major service by showing that in most cases the claim that bureaucrats are running amok—an argument one repeatedly hears from self-righteous reporters, myopic judges, media hounds in Congress, and eager young dilettantes in the White House—is simply wrong.

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The Communitarian Mind

CARL F. HOROWITZ

***Michael Luntley*: The Meaning of Socialism.** *Open Court. 206 pp. $14.95 paper.*

SOCIALISM IS rapidly losing its allure as an economic program even among sizeable segments of the left. A long-time socialist such as Robert Heilbroner now readily admits to the system's failings. Yet most of the Western left remains unconvinced of the superiority, or even the workability, of capitalism. Since roughly 1983, when capitalist economies got back on track and stayed

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there, the left in the West has resorted largely to touting the non-economic rewards of socialism, ironically making prima facie common cause with Russell Kirk and other classical conservatives. Given the moribund state of socialist economies, non-economics is the only route that socialists can now travel without breaking with their faith.

One reads with increasing frequency of socialism's ability to create communities in which people are citizens first and consumers second; intellectuals are venerated; and government manages economies to avert capitalism's destructive cultural tendencies. Socialists have "soul," such celebrants argue; capitalists have only rational exchange.

In fact, this particular defense of socialism has been around a long time. For decades, the Frankfurt School and its descendants have advanced some form of the thesis involving "one-dimensional capitalist man" groaning under the weight of "repressive tolerance." Karl Marx did much the same in his very early works. In the modern version of this view, citizens have an obligation to politicize their lives, while praising small-scale community virtues. People should rediscover the virtues of work, family, ethnicity, and even religion—the things that capitalism allegedly is eroding—while rejecting television, shopping malls, and automobiles as culturally destabilizing. The rights of a property owner or businessman take a distant back seat to the rights of a community to define its moral bounds. Intellectual and political life in democratic societies is now saturated with this populism, roughly equal parts Marx and Rousseau, with a dollop or two of New England Puritanism and New York secular Judaism.

Those in the academy advancing this view are Christopher Lasch, Russell Jacoby, Robert Bellah, Michael Walzer, and Irving Howe. Those in the wider world include the *Utne Reader*, New York Governor Mario Cuomo (remember his "Wagon Train" speech before the 1984 Democratic National Convention?), the Green Movement, liberation theologians, and proponents of national youth service. Columnists such as Pete Hamill, Colman McCarthy, and Barbara Ehrenreich bridge these worlds, routinely denouncing Reagan-era "greed" as the principle cause of the erosion of community values and customs.

The left has made headway with this argument because most moral defenses of capitalism this side of George Gilder rest on the premise that capitalism "works." That is, the system creates a freer and wealthier society, but not necessarily a happier one. Socialism addresses, however inappropriately, the importance of maintaining moral communities in a way that capitalism, in reducing human

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interaction to mutual maximization of interests, usually does not. The left is willing to concede partial defeat in economics, so it can more resolutely claim victory in moral and spiritual matters.

MICHAEL LUNTLEY is a young English version of such a left-wing thinker. It is hard to recall any socialist tract that places so negligible an importance on equality and class conflict as *The Meaning of Socialism*. In the aftermath of the 1980s, however, anti-economics is especially useful for the English left. Its members have never forgiven Prime Minister Thatcher for her successful program to attract (or "co-opt") many Laborites into becoming shareholders and homeowners. Their pity toward the new working-class Tories, who allegedly traded away their traditions for Pyrrhic promises of wealth, is exceeded only by their rage at the governing Tories who made—and delivered on—these promises.

Luntley, a philosopher at the London School of Economics, is an anti-Fabian who repeatedly minimizes the relevance of such socialist icons as class consciousness, equality, and nationalization, for they carry little moral or political weight when compared to the tangible benefits brought by capitalism. The fairness of the distribution of goods and services is a shadow issue for him, and for this reason both the egalitarian John Rawls and the libertarian Robert Nozick are shadow philosophers, ever preoccupied with an unhealthy "economism about values."

Luntley would reconstitute socialism in almost purely communitarian terms in its war against capitalism. Socialists, he argues, as natural "interferers," have a moral obligation to legitimize interference for the good of society. They need to meddle in classical liberalism's economic market only to justify undermining its moral market. Socialism must construct new reference groups to "sound out the contours" of new moral experience. Luntley endlessly praises "goodness" and "traditional reference groups," though he rarely illuminates these concepts with examples.

Individuals under capitalist liberalism may be virtuous, he argues, but society as a whole can never be. Liberalism creates so much abject badness because it sanctifies individualism, which has corroded traditions and the network of feeling human relationships constructed around them. "The Caprice of Capital" stands opposed to moral (i.e., "community") forces, regardless of who today's capitalists might be. Under capitalism, people treat formal rights as more important than the public good, and thus "shrink within ... moral shells and pursue a moral masturbation of private goods and delights." People are enslaved to their lower material selves.

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Luntley is at his worst when attempting to connect the notion of "the Good" to political life. He sees totalitarianism as manifested not only in the deprivation of constitutional rights, but also in the destruction of moral communities. In this way, he can depict capitalist societies as the least free in the world:

> A nation can be more fully subjugated and brought under total control when the devices of dissent and criticism are silenced and disabled, not by the brute heel of the jackboot, but by the emptiness of despair when our communities have been replaced with the fractured shells of civility which offer no comfort to isolated individuals.

Luntley does not cite any guilty parties until near the end of the book:

> Thatcher has come dangerously close to eradicating the sense of civility and community that is the only real grounding for morally informed debate. She has come close to emptying social life of moral values and leaving us only with the catcalls of brokers and advertisers.... The barbarians are in control, subjecting the last traces of civility to Capital's command for the maximization of profit above all else.

Luntley's vague, platitudinous calls for restoring tradition, goodness, and community implicitly borrow from classical conservatism. Yet he never addresses the central premises of the traditionalists. Whether or not that is because he cannot or will not recognize a kindred spirit on the right, his failure undercuts what little effectiveness his polemic may have. Yet as he sees the demise of the religious way of life as "irreversible," any attempt on his part to integrate conservatism into his world view would be futile anyway.

As a program to take and consolidate power, he advocates, among other things, that socialists decentralize authority from national to regional and local levels, and side with small businesses against "the cold chill of the free market." Everything in his political communitarianism points to expanding the influence of those "loony leftist"-dominated local Councils that have caused Britain so much grief in recent years.

POTENTIAL ENLISTEES in any new communitarian utopia might well remember that "localistic" socialism has had a laboratory for several decades: Yugoslavia. The non-Stalinist left has long venerated this communist nation's worker-managed state enterprises as exemplars of democratic decision-making. But the most visible legacy of the Yugoslav experiment, of course, has not been its veneer of democracy, but the Yugo, perhaps the most dreadful automobile ever sold in the West. Luntley may not be too

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concerned about cars and other material goods, but the reader might suspect the average Yugoslav auto worker has a different view of not being able to afford even the cheap products he makes. Meanwhile, Yugoslavia's multi-ethnic society is now exploding at an even more frightful pace than the Soviet Union's, a disintegration that does not speak well of socialism's ability to mediate differences between primary reference groups.

Reading *The Meaning of Socialism*, and worse, Christopher Lasch's *The True and Only Heaven: Progress and Its Critics*, brings the urgencies of the post-1980s worldwide socialist meltdown into sharp focus. Opponents of individualism like Luntley and Lasch, strident about reversing a legacy of "greed" and "narcissism," have recharged their batteries. They regard as prophetic the trial and conviction of Michael Milken; after all, it was the 1980s, and not just Milken, that stood trial. With Thatcher and Reagan both gone from office, these communitarians see the opportunity to create the 1990s as the full realization of what they imagine was the essence of the 1960s. Though communism has all but collapsed, they see capitalism as equally in need of replacement.

But are citizenship and public duty necessarily incompatible with economic and political liberties? That is a question worth exploring. A book like Stephen Macedo's excellent *Liberal Virtues: Citizenship, Virtue and Community in Liberal Constitutionalism* is a solid starting point. But it has to be admitted that this intellectual task requires a lot more work.

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Postmodern Populism

VINCENT J. CANNATO

***Christopher Lasch*: The True and Only Heaven: Progress and Its Critics.** *W.W. Norton & Co. 591 pp. $25.00.*

SUCCESS OFTEN breeds disillusionment. Noting some Americans' ingratitude for their seeming good fortune, Daniel Boorstin asks, "Can we be surprised, then, that our character istic national ailments are not misery, deprivation, or oppression, but malaise, resentment and bewilderment?" When the nation's long journey in search of comfort, security, and the good life

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ended in the suburbs, this newfound paradise proved, to some, to be bland, sterile, and conformist. While ordinary Americans have largely rebounded from the self-doubt of the 1960s and 1970s, the malaise of many academics and molders of opinion continues to exhibit itself in a skeptical rethinking of some fundamental ideas about modernism in general and American society in particular.

One fashionable notion that has gained recent prominence concerns the settling of the American frontier. No longer the glorious symbol of progress once portrayed in history and popular culture, the settling of the West, revisionist historians now tell us, damaged the environment, exploited workers, oppressed women and minorities, and betrayed democratic ideals. Writing recently in the *New Republic*, author Larry McMurtry summarized the view of one such historian as follows: "[O]ur westward expansion was a mosaic of failure, financial and personal, but also, in the largest sense, moral. The expansion was, specifically, an irresponsible white male's adventure, hugely destructive of the land itself, of the native peoples, and even of the white male's own women and children." McMurtry is correct to notice a change in attitude. This spring, an exhibit opened at the National Museum of American Art in Washington entitled "The West as America: Reinterpreting Images of the Frontier, 1820-1920," featuring paintings of the American West by Frederic Remington and other artists. The exhibit attempts to replace the myth of the heroic West with an analysis that explicitly compares it to capitalist exploitation.

The cloud of moral doubt now being cast over American history also extends to contemporary life. Environmentalists, for example, proclaim loudly that thanks to American consumerism we will soon deplete most of our natural resources. Man's every move, they say, throws off the precarious balance of the earth's ecosystem, adds more harmful toxins to the atmosphere, and exploits more precious resources. Contemporary Malthusians such as Paul Ehrlich call for population control, seeing mankind not as part of nature but as directly opposed to nature. Scientific progress, greater individual freedom, and an increased standard of living—all fundamental tenets of liberal-democratic thought—are today considered assaults, not improvements, upon man's environment.

IN THIS ATMOSPHERE, when America's apparent successes are shown to be glaring moral failures instead, it should surprise no one to discover that Christopher Lasch condemns outright the idea of progress in his latest book, *The True and Only Heaven: Progress and its Critics*. Lasch pulls no punches, asking on the

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first page, "How does it happen that serious people continue to believe in progress, in the face of massive evidence that might have been expected to refute the idea of progress once and for all?" Unfortunately, Lasch never comes out and tells us what that "massive evidence" is.

The author of *Haven in a Heartless World* and *The Culture of Narcissism*, Lasch has made a career of irritating his fellow leftists. His new book is a far-ranging and thorough—if sometimes tedious—look at American culture and intellectual history. His critique of society is similar to that of the Marxist historian Eugene Genovese. Both Lasch and Genovese are anti-capitalist in that they believe capitalism destroys communities and families. But though they remain economically radical, these two cultural conservatives stand firmly against the nihilist assumptions of modern left-liberal thought. Both claim that it is they, not Reaganesque conservatives, who are the true champions of "traditional values."

This movement to the right on cultural issues and to the left on economic issues is part of the "new populism" promoted by such writers as Sheldon Wolin and Harry Boyte, who emphasize democratic alternatives to corporate capitalism. Wolin believes that since World War II "Americans [have] traded off or bargained away the vestigial remains of democratic citizenship in exchange for new forms of participation." For Wolin and others, this new form of participation is the consumer economy, which satisfies the material needs of the citizenry in exchange for an increase in the power of capital and a decrease in democratic participation. Rejecting the centralization of power, the new populists favor community organization, democratic control over the economic realm, and "a romantic vision of the individual." For Lasch, the current bearers of the populist torch are the members of the lower middle class: the farmers, small producers, tradesmen, and artisans who form a bulwark against the evils of consumerism, corporate avarice, and elite liberal social permissiveness. It is they who "are unlikely to mistake the promised land of progress for the true and only heaven." In this age of uncertainty and skepticism, Lasch sees populism as a potent antidote to the evils of modernism.

Lasch's story begins with Adam Smith, cast as a great villain, whose "moral rehabilitation of desire," as Lasch puts it, provided the theoretical underpinnings for the great economic boom of capitalism. Here, argues Lasch, is where liberal thought broke with past ideals—specifically, in this case, the republican ideal. The idea of permanence gave way to the idea of improvement. The heroic life of self-denial and human limits gave way to a society in which permanence and the social order rested upon the debased

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ideals of greed and ambition. Classical liberals expected progress and commerce to temper religious zealotry and nationalism, both of which had long wreaked havoc upon Europe. According to Thomas Paine, "if commerce were permitted to act to the universal extent it is capable, it would extirpate the system of war, and produce a revolution in the uncivil state of government." For Lasch, the natural consequence of the system of commerce is the withering of the human spirit. The peace that Paine and other liberals so valued came at the price of an increasingly "soft" population. In writing about the growing "elite" in modern America, the prime beneficiaries of liberal progress, Lasch observes that "[m]odern convenience sheltered them from everyday discomforts.... Exemption from manual labor deprived them of any appreciation of the practical skills it requires.... The educated classes overcame fanaticism at the price of desiccation."

With our nation so committed to the idea of progress and so divorced from the republican ideals that guided its early history, there arose a conflict, in the terms of historian Lawrence Goodwyn, between the "people" and "progress." Goodwyn's populists were the men of the Farmers' Alliance in the late nineteenth century. The farmers unsuccessfully fought the power of bankers, supply merchants, and railroad men who, following the ethos of the "free market," threatened to destroy the farmers' way of life. These agrarian radicals realized that the only way to combat the power of capital was collective, cooperative action. They formed collectives that stressed self-education, economic cooperation, and an emphasis on the independence of the small farmer from an oppressive system of corporate capitalism. This embodies for Lasch a model of collective action that rejects both the elitist assumptions of twentieth-century progressive movements and the disastrous centralized state systems that took shape in the Soviet Union, Eastern Europe, and certain Third World countries.

THE DIFFERENCE between Lasch's populism and other ideologies is clearest in his treatment of the contrasting strategies of organized labor in its battles against the forces of capital in the late nineteenth century and early twentieth century. Lasch's sympathies lie with the position taken by Eugene Debs and other skilled-crafts unionists. The rise of wage labor and industrialization in America threatened their way of life, since the personalized product and methodical work habits of the artisan had no place in the new factories, where modern machinery and division of labor separated the worker from his product. Thus it is not sur-

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prising that during the early rise of unions, skilled artisans and workers were the dominant force: "it was their resistance to employers' attempts to introduce a more complicated division of labor and to replace skilled craftsmen with operatives ... that shaped working-class radicalism right down to the end of the nineteenth century."

Since these unionists were struggling to preserve old forms of existence against the progressive forces of capitalism, their challenge to capitalism was the most radical. Even Marx believed capitalism was a necessary stage in the evolution toward communism as a means to destroy old, backward ways—"the idiocy of rural life." In his biography of Eugene Debs, Nick Salvatore explains that in Debs's early career, his arguments came not from Marxist or socialist theories but from the republican tradition of earlier generations. "All who produce value within and near the community," writes Salvatore, "could regard themselves as citizen-producers—respected in each other's eyes, concerned with the economic and political welfare of the community and opposed to the monopolists and financiers who desire only to extend their wealth." Lasch never mentions or explains Debs's abandonment of this republican vision for a more active socialism.

In contrast to Debs was Samuel Gompers, head of the American Federation of Labor. Gompers's "bread and butter" unionism sought not to change the system of wage labor but to improve the position of the worker within that system. Workers would accept their positions in the factory in return for a higher standard of living. Tempted by the promise of material progress, argues Lasch, these union leaders sold their members into well-paid slavery, exchanging their freedom for material improvement. As more unskilled workers were represented in unions, this approach became the central goal of American unions and remains so to this day.

The International Workers of the World (IWW), or "Wobblies," took a third approach. If Lasch associates Gompers and his unionists with modern materialists who traded freedom for security, the Wobblies are likened to today's liberal elite, sold on the idea of radical individualism and taken in by fashionable and radical cultural trends. IWW support was based chiefly in the western states among miners and loggers. They had no use for the Debsian model of the small proprietor or agrarian republican. Instead, writes Lasch, their "ideal of independence was associated ... with the wandering life of the unattached male." Lasch links the Wobblies' syndicalism and anarchism to the new cultural modernism emerging in the early twentieth century. He associates these "nomadic workers

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of the West," who boldly flouted conventional bourgeois morality, with avant-garde intellectuals such as Marcel Duchamp, who proclaimed, "I object to responsibility." And responsibility is one thing to which Lasch's populist never objects.

PERHAPS THE most troublesome aspect of Lasch's world view is his inorganic conception of capitalism and progress. Lasch argues, for example, that during the Reagan years, "unregulated business enterprise ... replaced neighborhoods with shopping malls and superhighways." To be sure, more malls and highways have been built in recent years—ever since World War II, in fact—but Lasch describes these developments as if they had been foisted upon an unwilling public. Americans may be fickle and hypocritical about the benefits of material progress, but despite complaints about ugly highways and shopping malls, we continue to shop at malls—and to travel there by car—in huge numbers.

Although Lasch presents progress and the "people" as if they were two opposing forces in a zero-sum match, the "people" really do fuel progress. Ultimately, the driving patterns of Americans determine where and how many highways will be built; the buying patterns of Americans determine the number of stores that will cater to our different needs; and our housing choices determine where development will take place. Naturally, conflicts of interest will occur. Some people will be unhappy with the new townhouses built in the empty lot on their street, but others, perhaps first-time owners, will be delighted with their new homes. Even some of Lasch's beloved entrepreneurs and small businessmen someday dream of expanding their stores and reaching larger markets. To impute a stagnant nature to the lower middle class is both demeaning and elitist.

This brings us to the question of who really benefits from progress. Lasch would have us believe that it is the educated upper classes, whose gains come at the expense of a lower middle class desperately fighting to retain its old values amidst a materialist onslaught. But contrary to Lasch, it is the members of the lower middle class who most often look favorably upon progress, a progress that improves their quality of life. Not only do they benefit personally from progress in medicine and everyday technology, they see America as a land of opportunity—where success and mobility are at least possible. Indeed, many in the lower middle class are descended from recent immigrants, whose very journey to the United States in some sense affirmed the idea of progress. But Lasch has little use for immigration. In one of a few

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overheated passages in the book, he reverts to the old arguments against immigration in stating that today's immigrants "swell the vast army of the homeless, unemployed, illiterate, drug ridden, derelict, and effectively disenfranchised. Their presence strains the existing resources to the breaking point." He offers no sociological or demographic evidence for this bizarre exaggeration. That is understandable, since there is no such evidence.

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Common Ground

BEN WILDAVSKY

***Diane Ravitch, ed.*: The American Reader: Words That Moved A Nation.** *HarperCollins. 383 pp. $35.00 cloth, $12.95 paper.*

ACADEMICS—particularly the kind who write opinion pieces and magazine articles on public policy—are often accused of being so far removed from the real world that their back-seat theorizing (a) bears a distant relation to reality and (b) would have little practical value if carried out. Playing against type, Diane Ravitch, a Columbia University education historian recently nominated to be Assistant Secretary of Education for Educational Research and Improvement, has put her money where her mouth is in the controversial field of multicultural education.

In *The American Reader: Words That Moved A Nation*, a compelling and readable anthology of over 200 speeches, songs, essays, and poems spanning 365 years of the nation's history, Ravitch has stepped down from the ivory tower to present a positive vision of multicultural history. Her collection offers an appealing middle ground between exclusive study of dead white males and the divisive agenda of those who advocate its mirror image—ethnocentric education tailored to the history of particular minority groups. Well known for her opposition to the latter approach, Ravitch here takes the commendable step of showing by example what she is *for*. The result is eminently multicultural, full of classics, surprises, and the pleasure of authentic, unparaphrased American voices.

The climate in which *The American Reader* appears should be familiar—and worrisome—to anyone who has followed the raging debate over multicultural education and political correctness in

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recent months. From the pages of *Commentary* and the *Nation* to *New York* and *Newsweek*, battle lines have been drawn and turf staked out. At times the press has miscast the issue as a debate pitting anti-multicultural traditionalists against progressives who want to give previously excluded groups—notably minorities and women—their rightful place in the curriculum. Ravitch herself has complained that during the controversy surrounding a New York State report that harshly attacked the "racism" of the state's existing curriculum, none of the reporters who called her had bothered to read either the report or the curriculum that was under attack. The resulting stories, she wrote recently, gave the false impression that "those who demurred from the task force report were opposed to teaching about people of color."

The real question, of course, as many have observed, is what multiculturalism should consist of. In a widely circulated piece that appeared last summer in the *American Scholar*, Ravitch argued that a healthy, "pluralistic multiculturalism" has increasingly come to characterize accounts of American history. This multiculturalism, she wrote, now risks being displaced by "particularist multiculturalism," in which highly polarized ethnic separatism leads to denigration of shared American identity. Wrote Ravitch:

> The pluralist approach to multiculturalism promotes a broader interpretation of the common American culture and seeks due recognition for the ways that the nation's many racial, ethnic, and cultural groups have transformed the national culture.... But particularists have no interest in extending or revising American culture; indeed, they deny that a common culture exists.... The brand of history they espouse is one in which everyone is either a descendant of victims or of oppressors.

Ravitch is right that a public culture cannot be sustained without any overriding sense of national identity. And she is on to something when she says that the main problem with current textbooks is not that they lack multiculturalism—in fact they bend over backwards to embrace it—but that they are *boring*, featuring what she calls "pulped, homogenized, committee-written prose." Ravitch has tried to remedy this with a collection that shows she hasn't just been paying lip-service to multiculturalism. More important, her anthology gives those who are battle-weary from the PC wars something to do beyond hand-wringing.

INSPIRED BY nineteenth-century anthologies that were read by schoolchildren and treasured by their families, *The American Reader* possesses a thoroughly modern sensibility. In a chronologically organized book that lends itself best to sampling and browsing, the reader quickly finds songs that have entered

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America's collective memory. Bob Dylan, Pete Seeger, and "We Shall Overcome" are here, not far from Stephen Foster's 1848 "Oh! Susanna," "I've Been Working on the Railroad," and "On Top of Old Smoky." Short historical explanations precede each selection, placing them in context and providing sometimes surprising information. One discovers here, for example—courtesy of Joe Klein's biography—that Woody Guthrie wrote the original version of "This Land Is Your Land" as an angry response to Irving Berlin's "God Bless America" and what he perhaps considered its complacent jingoism.

Indeed, the dissent and fiery debate that have been such prominent strains in American history do not get short shrift in Ravitch's collection. Although her introduction notes that she has excluded some major American voices, specifically "those who preached disunion or hatred toward others," Ravitch is no Pangloss. Along with the Mayflower Compact, Patrick Henry's "give me liberty, or give me death!", Tom Paine's "Common Sense," and other classics of the nation's founding years, she includes a moving plea for liberty sent by a group of slaves to the royal governor of Massachusetts in 1774. The document reads in part: "we have in common with all other men a naturel right to our freedoms without Being depriv'd of them by our fellow men as we are a freeborn Pepel and have never forfeited this Blessing by aney compact or agreement whatever."

In the same year, one learns from *The American Reader*, Chief Logan of the Mingo Indians, whose family had been massacred by white soldiers—and who had retaliated by killing numerous settlers—sent an eloquent speech to the governor of Virginia, which Jefferson reprinted in his *Notes on Virginia*. Logan wrote: "I appeal to any white man to say, if ever he entered Logan's cabin hungry, and he gave him not meat; if ever he came cold and naked, and he cloathed him not.... There runs not a drop of my blood in the veins of any living creature.... Who is there to mourn for Logan?—Not one."

Later in the collection, alongside Thoreau on civil disobedience and Emerson on self-reliance, Elizabeth Cady Stanton, a pioneer of the women's movement, speaks out in 1854 on what women want: "This, men and brethren, is all we ask at your hands. We ask no better laws than those you have made for yourselves. We need no other protection than that which your present laws secure to you."

The labor movement is also well represented, with Samuel Gompers on "What Does the Working Man Want?" and songs like "I Dreamed I Saw Joe Hill Last Night," "Which Side Are You

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On?", and "Solidarity Forever." Although the American talent for commerce, surely a central feature of our history, doesn't seem to get equal time—perhaps because it hasn't inspired as many stirring words—those with a taste for capitalism can turn to an excerpt from Milton and Rose Friedman's 1980 *Free to Choose* for a paean to the economic and political freedoms that have led to some of our successes.

THE CLEAR message throughout *The American Reader* is that one can look at American history with its mingled idealism, ugliness, and everything in between, without shame for what it adds up to. Some documents celebrate America, others reproach it for not fulfilling its promise, but all appeal to unifying principles from which even the American tradition of dissent derives.

If anything, Ravitch may have succumbed a little too much to the laundry-list approach to multiculturalism. She sometimes errs on the side of forgettable selections from minority groups. The inclusion of an undistinguished speech by the murdered San Francisco supervisor Harvey Milk, for example, seems more a nod in the direction of gay-rights advocates than a necessary part of the collection. By contrast, Walt Whitman, who is also included, did not earn his place in the American pantheon through tokenism.

Still, if it is occasionally hard to tell where Ravitch's mining of overlooked gems ends and her concessions to faddism begin, there is plenty in this volume to satisfy lovers of traditional American history. Benjamin Franklin, John Adams, George Washington, Oliver Wendell Holmes, Henry Wadsworth Longfellow, Horace Mann, Emily Dickinson, Frederick Douglass, Theodore Roosevelt, Jacob Riis, Woodrow Wilson, Robert Frost, Franklin Delano Roosevelt—all find a place in Ravitch's collection and all bear reading and rereading.

With its pleasing mixture of new and old, popular and classic, *The American Reader* is a useful and rewarding reference tool. Where else can a reader find "Casey at the Bat" and Jefferson's first inaugural address in one place? Read it to hear Lincoln at Gettysburg and Jesse Jackson at the Democratic National Convention; John F. Kennedy at the Berlin Wall and Ronald Reagan at Moscow State University. Look up Malvina Reynolds' "Little Boxes on the Hillside" or the second verse of "The Star Spangled Banner." Worn-out cliché or not, everything you've heard about the great American tapestry is true.

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